

TRANSCRIPT OF RECORD

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1941

1942

No. 1086

59

CLAUDE R. WICKARD, SECRETARY OF AGRICULTURE
OF THE UNITED STATES, ET AL., APPELLANTS

vs.

ROSCOE C. FILBURN

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES
FOR THE SOUTHERN DISTRICT OF OHIO

FILED MARCH 27, 1942



SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1941

No. 1080

CLAUDE R. WICKARD, SECRETARY OF AGRICULTURE
OF THE UNITED STATES, ET AL., APPELLANTS,

vs.

ROSCOE C. FILBURN

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES
FOR THE SOUTHERN DISTRICT OF OHIO

INDEX

	Original	Print
Record from D. C. U. S., Southern District of Ohio.....	1	1
Complaint.....	1	1
Designation of Statutory Court.....	11	9
Motion of Defendants other than Secretary of Agriculture to Dismiss Complaint.....	16	10
Waiver of Objection to Venue by Secretary of Agriculture.....	19	11
Answer of Secretary of Agriculture.....	20	12
Stipulation of Facts and Evidence.....	26	16
Caption.....	26	16
Summary of results of referendum by states.....	30	17
Speech of Secretary of Agriculture, May 19, 1941.....	35	20
Map 1—World wheat acreage with important har- vest periods.....	53	32
Chart 1—Same, 1921-1939.....	54	33
Table 1—Acreage in specified countries, 1921 to 1940.....	54	34
Map 2—Production, average, 1928-1932.....	55	35
Map 3—Number of farms growing wheat.....	56	36
Table 2—Number and size of farms, by states, 1939 census.....	57	37
Table 3—Seeded acreage, by states, 1926-1941.....	58	38

Record from D. C. U. S., Southern District of Ohio—Continued.

Stipulation of Facts and Evidence—Continued.

	Original	Print
Table 4—Harvested acreage, by states, 1926-1940	60	40
Table 5—Yield per seeded acre, by states, 1926-1941	62	42
Table 6—Production, by states, 1926-1941	64	44
Table 7—Farm value of production, by states, 1926-1940	66	46
Map 4—Wheat harvested—Acreage, 1929	68	48
Chart 2—U. S. acreage seeded, by regions, 1919-1940	69	48
Table 8—U. S. acreage seeded, by regions, average 1929-1933, annual 1919-1940	69	49
Map 5—Freight rates on wheat from interior shipping points to primary markets, etc. (rates in effect, Nov. 1936)	79	Facing 54
Map 6—Storage capacity of elevators reporting commercial grain stocks, June 1, 1941	80	55
Map 7—Wheat flour milling capacity, Jan. 1, 1941	81	56
Table 9—Wheat and flour movement at centers	82	57
Map 8—Origin of wheat received at upper-lake ports, 1935	85	Facing 58
Chart 3—Movement of wheat on the great lakes, 1935	86	Facing 58
Map 9—Wheat production, disappearance and mill grindings, 1931-1936	87	59
Table 10—Estimated total disappearance compared with farm disposition of production, by states, 1931-1936	88	60
Table 11—Value of production, value for farm household use, etc., by states, average 1930-1939, and 1940	90	61
Table 12—Volume of cash sales at six primary markets, crop years, 1930-1940	92	62
Table 13—Volume of futures trading by contract markets, crop years, 1930-1940	93	62
Table 14—United States wheat and flour exports by customs districts	94	63
Table 15—Exports of wheat, including flour, by country of destination, 1910-1940	96	64
Map 10—International trade in wheat, average 1927-28-1930-31	97	65
Table 16—International trade in wheat, including flour in terms of grain, averages 1925-1934, annual 1937-1939	98	66
Chart 4—Price scale	109	72
Chart 5—World supply and price, 1923-1940	110	72
Table 17—Estimated world supply, disappearance and prices, 1922-1940	110	73
Chart 6—U. S. net exports, world shipments to Europe, etc., 1923-1939	111	74
Table 18—Same, 1923-1938	111	74

Record from D. C. U. S., Southern District of Ohio—Continued.

Stipulation of Facts and Evidence—Continued.	Original	Print
Chart 7—Prices at Kansas City and Liverpool, and U. S. supplies for export and carry-over, 1923-1940.	112	75
Chart 8—Acreage, yield and production, world (excluding U. S. S. R. and China) 1923-1940.	113	76
Table 19—Same.	113	77
Chart 9—Sources of U. S. supply, 1923-1941.	114	78
Chart 10—Distribution of U. S. supply, 1923-1940.	114	78
Table 20—Supply and distribution in continental United States, 1923-1941.	115	79
Chart 11—Supply, average farm price and parity price, United States, 1923-1940.	116	81
Table 21—Same.	116	81
Charts 12 to 14 inc.—Prices at Kansas City, St. Louis, Seattle, and Minneapolis for various periods.	117	82
Chart 15—Hard red winter wheat: distribution of U. S. supply, and price at Kansas City, 1929-1939.	118	85
Table 22—Same.	118	86
Chart 16—White wheat: distribution of U. S. supply, and price at Portland, 1929-1939.	119	87
Table 23—Same.	119	87
Chart 17—Soft red winter wheat: distribution of U. S. supply, and price at St. Louis, 1929-1939.	120	88
Table 24—Same.	120	88
Chart 18—Hard red spring wheat: distribution of U. S. supply, and price at Minneapolis, 1929-1939.	121	89
Table 25—Same.	121	89
Chart 19—Durum wheat: distribution of U. S. supply, and price at Minneapolis, 1929-1939.	122	90
Table 26—Same.	122	90
Table 27—Farm value, government payments and purchasing power, United States, 1910-1942.	137	99
Table 28—Calculation of the 1941 national wheat acreage allotment, May 1940.	141	101
Table 29—Calculations for proclamation of the 1941 national wheat marketing quota, May 1941.	142	102
Order Overruling Motion to Dismiss Complaint.	144	103
Answer of Defendants other than Secretary of Agriculture.	147	104
Opinion of Druffel and Nevin, District Judges.	153	108
Dissenting Opinion of Allen, Circuit Judge.	160	113
Findings of Fact and Conclusions of Law.	169	118
Final Judgment.	177	124
Petition of Defendants for Allowance of Appeal and Order thereon.	179	125
Assignment of Errors.	180	125
Stipulation as to Contents of Transcript of Record on Appeal.	183	126
Clerk's certificate [omitted in printing].	186	128
Statement of points to be relied upon and designation of parts of record to be printed.	187	128
Order noting probable jurisdiction.	188	129

1 In the District Court of the United States for the Western
Division, Southern District of Ohio

(At Dayton)

Civil No. 118

ROSCOE C. FILBURN, R. R. #10, DAYTON, OHIO, PLAINTIFF

VS.

CARL R. HELKE, R. R. #1, VANDALIA, OHIO, ROY M. BAKER, R. R.
#1, SPRING VALLEY, OHIO, AND HOMER W. FLINSBACH, R. R.
#1, GERMANTOWN, OHIO, INDIVIDUALLY AND AS MEMBERS OF
THE COUNTY COMMITTEE IN AND FOR MONTGOMERY COUNTY,
OHIO, UNDER THE AGRICULTURAL ADJUSTMENT ACT OF 1938, AS
AMENDED; DALE WILLIAMS, HOLLANSBURG, DARKE COUNTY,
OHIO, INDIVIDUALLY AND AS STATE CHAIRMAN FOR THE STATE OF
OHIO UNDER THE AGRICULTURAL ADJUSTMENT ACT OF 1938, AS
AMENDED AND CLAUDE R. WICKARD, SECRETARY OF AGRICULTURE
OF THE UNITED STATES OF AMERICA, 2101 NEW HAMPSHIRE AVE.,
WASHINGTON, D. C., DEFENDANTS

Complaint

Filed July 14, 1941

FIRST CAUSE OF ACTION

Comes now Roscoe C. Filburn, plaintiff, and for his first cause
of action against the above named defendants, complains, alleges,
and states:

2 1. That said plaintiff is a resident and citizen of Mont-
gomery County, in the Western Division of the Southern
District of the State of Ohio, and is now and was at all times
hereinafter mentioned, a farmer engaged in producing and rais-
ing wheat on real estate owned by said plaintiff, in Montgomery
County, Ohio.

2. That Carl R. Helke, Roy M. Baker, and Homer W. Flins-
bach are also citizens and residents of Montgomery County, in
the Western Division, Southern District of the State of Ohio, and
are now, and have been at all times hereinafter referred to, the
duly selected and acting members of the County Committee under
the Agricultural Adjustment Act of 1938, (Public No. 430—73th
Congress), as amended by S. J. Res. 60, Public No. 74—77th

Congress. That said defendants will be hereinafter referred to as County Committee.

3. The defendant, Dale Williams, is State Chairman for the State of Ohio, under the Agricultural Adjustment Act of 1938, (Public No. 430—75th Congress), as amended by S. J. Res. 60, Public No. 74—77th Congress. Said defendant will be hereinafter referred to as Chairman of the State Committee.

4. That the defendant, Claude R. Wickard, is a citizen and resident of the State of Indiana, with his official office at Washington, D. C., and is now the duly appointed, qualified, and acting Secretary of Agriculture of the United States of America.

5. That this is a civil action arising under the Constitution and Laws of the United States, as hereinafter more specifically set forth, and is a suit and proceeding arising under the laws of the United States regulating interstate commerce as hereinafter more particularly alleged.

6. That said plaintiff is now and has, for many years past, been engaged in raising wheat in Montgomery County, Ohio, and in marketing the same as a means of livelihood. Plaintiff further says that all of the wheat grown and harvested by plaintiff and all other Ohio wheat growers is winter wheat which matures, is harvested and ready for the market usually by July 1st to the 15th of each year.

7. Plaintiff further alleges that under date of February 16, 1938, the President of the United States approved a law enacted by Congress (H. R. 8503, Public No. 430, 75th Congress), known as the "Agricultural Adjustment Act of 1938." That in said Act it was provided that if the total supply of wheat as of the beginning of any marketing year exceeded a normal year's domestic consumption and exports by more than 35 per centum, the Secretary of Agriculture, shall, not later than May 15th, proclaim such fact during the marketing year, beginning July 1st, and a national marketing quota shall be in effect with respect to the marketing of wheat, and that prior to June 10th said Secretary shall conduct a referendum, by secret ballot, of wheat farmers who will be subject to such quota to determine whether said farmers favor or oppose said quota, and that if more than one-third of the farmers voting in said referendum oppose said quota, the Secretary shall, prior to the effective date of such quota, by proclamation suspend the operation thereof with respect to wheat. It was therein further provided that any farmer who, while marketing quotas were in effect, marketed wheat in excess of the farm marketing quotas for the farm on which such wheat was produced, should be subject to a penalty of 15 cents per bushel on the excess so marketed, and the marketing of wheat was defined in said Act

as the sale, barter, or exchange thereof. That on the 26th day of May 1941, the President of the United States approved a joint resolution enacted by Congress (S. J. Res. 60, Public No. 74—77th Congress), amending said Agricultural Adjustment Act of 1938, among other things, by providing that the rate of penalty on wheat in excess of said farm marketing quotas shall be

4 50 per centum of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the aforesaid Act of 1938, and of said Resolution.

8. That no referendum was conducted by said Secretary of the wheat farmers of the United States for the years 1938, 1939, and 1940, and therefore no national marketing quotas, with respect to wheat, were put into effect in any of said years. That on or about the 31st day of May 1941, there was conducted a purported referendum of the wheat farmers subject to the Agricultural Adjustment Act of 1938, as amended, and thereafter, the date being unknown to plaintiff, said Secretary declared that more than two-thirds of the farmers voting in said referendum had voted in favor of marketing quotas with respect to wheat.

9. That during the crop year of 1940-1941, said plaintiff planted; produced and is in process of harvesting wheat grown on approximately twenty-three acres of land; that on or about the 12th day of July 1941, said plaintiff was notified by said Committee that his 1940-1941 wheat allotment acreage was 11.1 acres; that his excess wheat acreage for said crop year was a total of approximately 11.9 acres; that his normal wheat yield per acre on 11.9 acres of said excessive wheat acreage was 20.1 bushels per acre, or a total of 239 bushels of excess wheat raised by plaintiff. Plaintiff further alleges that for said crop year he produced approximately 462 bushels of wheat on 23 acres, as claimed by said County Committee, but plaintiff specifically denies that any of such wheat by him owned, produced, and raised, constituted excess wheat acreage for said crop year, or was in excess of any effective marketing quota for said year, or was subject to the payment of any penalty. That plaintiff was further notified at said time, by said County Committee, that the afore-

5 said 239 bushels of wheat, owned, produced, and harvested by said plaintiff, was subject to a penalty of 49 cents per bushel thereon, to be paid the said County Committee before any of the wheat owned, produced, and harvested by said plaintiff for said crop year could be, by him, sold.

10. That said County Committee, purporting to act under said Agricultural Adjustment Act of 1938, as amended, refuses to issue to plaintiff a marketing card permitting him to market any of his wheat, until the aforesaid penalty of 49 cents per

bushel on the excess wheat is by plaintiff paid. That said County Committee claims to have a lien on all of plaintiff's wheat for the amount of said penalty, and that said County Committee refuses to permit plaintiff to market, store, feed, plant, or in any manner dispose of said wheat until said penalty is paid. Plaintiff further says that by reason of said Act, as amended, and the construction and interpretation placed thereon by said County Committee, no grain dealer will purchase said wheat from plaintiff until he secures such a marketing card for all of his wheat from said County Committee.

11. Said plaintiff further avers and states that, although no purported referendum, by said Secretary, was conducted prior to May 31, 1941, said County Committee and said Secretary have attempted to establish marketing quotas on the wheat of said plaintiff and other farmers similarly situated for the wheat crop planted in 1940 and harvested in 1941, practically all of said crop having been ready to be harvested at the time said referendum was held. Plaintiff further avers that said Secretary was wholly without authority of law, under said Act as amended, to conduct a referendum on May 31, 1941, after said wheat crop had been planted, with no marketing quotas in effect, and was practically ready for harvesting at the time of said referendum, and that

6 the acts of the said County Committee in refusing and denying plaintiff the right to market, or otherwise dispose of his said wheat crop, without paying a penalty of 49 cents per bushel on wheat grown on the purported excess acreage, and asserting a pretended lien on all of said crop for said penalty, will have the effect of confiscating plaintiff's property without due compensation and without due process of law.

12. Plaintiff further alleges that he is not obligated to pay the aforesaid penalty, for the reason that plaintiff believes that said County Committee is acting illegally and without warrant or authority of law, and that the action of said Secretary and of said County Committee in claiming that marketing quotas are in effect as to plaintiff's wheat for the crop year 1940-1941 is null, void and unenforceable, contrary to the provisions of the Constitution and laws of the United States for the following reasons:

(a) That said Act, as amended, is not a revenue measure, and was not enacted for the purpose of raising revenue, and that the so-called penalty of said Act is therefore beyond the power of Congress to impose.

(b) That said Act, as amended, is in fact an effort on the part of Congress to regulate, restrict and control the production of a basic agricultural commodity in the various states beyond the power of and not delegated to the Congress by the Constitution of the United States of America.

(c) That said Act, as amended, is not one regulating commerce with foreign nations, or among the several states, for the reason that the growing of wheat and the production of other agricultural products does not constitute interstate commerce, nor does it effect interstate commerce to the extent necessary to give Congress authority to regulate same, and is, therefore, beyond the power of Congress to regulate the production of same.

7 (d) That said Act, as amended, purports to delegate powers legislative in character to an administrative branch of the government, the Secretary of Agriculture, and his assistants and those acting under him and to farmers, in violation of the Constitution of the United States.

(e) That said Act, as amended, purports to delegate power judicial in character to an administrative branch of the Government, the Secretary of Agriculture, his agents, and assistants, in violation of the Constitution of the United States.

(f) That said Act, as amended, violates the Tenth Amendment to the Constitution of the United States, in that powers not delegated to the United States by the Constitution, or prohibited by it to the States, are reserved to the states or to the people, and that said Act, as amended, is an effort on the part of the Congress to exercise a power not delegated to the United States by the Constitution, but reserved to the people of the States, same being the power to regulate, restrict, or otherwise control the production of agricultural commodities.

(g) That the amendment to said Act, assuming to impose a penalty for something which when done was lawful, namely, the planting, growing and harvesting of wheat in excess of alleged marketing quotas, having provided for the forfeiture of property, is unconstitutional and void under Section 9, Article 1 of the Constitution as an ex post facto law. That the construction placed on said Act, as amended, by said Secretary and said County Committee, has the effect of a forfeiture of plaintiff's property as a penalty for an act admittedly lawful and proper when done.

(h) That said Act, as amended, is an attempt on the part of Congress to regulate and fix the price of basic agricultural commodities, without regard to whether such sales are made for interstate or intrastate commerce.

8 (i) That the amount of said penalty claimed on said wheat purported to have been planted and harvested in excess of marketing quotas, to wit, 49 cents per bushel, is exorbitant, confiscatory, and destructive to the occupation and property of plaintiff, is further illegal and void because said amendment prescribes penalties for violation so drastic and severe as to deny persons coming thereunder, including this plain-

tiff, due process of law, and the equal protection of the law, and amounts to the taking of plaintiff's property without due process of law in violation of the Constitution of the United States.

(j) That said penalty, under said amendment, is discriminatory in its nature and application, because said Act illegally applies to a particular part of the people of the United States for the special benefit of certain groups of people residing in the United States and elsewhere, in the uncontrolled judgment of said Secretary, and is therefore unreasonable and improper class legislation, discriminatory, and in violation of the Constitution of the United States.

(k) That said Act, as amended, purports to lay a tax or duty on articles exported from a state, since said plaintiff and others similarly situated cannot market any of their wheat without paying the aforesaid penalty, contrary to Section 9, Article 1 of the Constitution.

(l) That said Act, as amended, is an unjustifiable, improper, and illegal interference with rights of plaintiff in and to his property, and deprives plaintiff of his liberty and property without due process of law in violation of the Fifth Amendment to the Constitution, and deprives plaintiff of his natural and inherent rights in violation of the Tenth Amendment to the Constitution which reserves to the people and the states all powers not delegated to Congress.

9 (m) That said Act, as amended, grants arbitrary power to the Secretary of Agriculture to nullify marketing quotas, and that the action of said Secretary and said County Committee in attempting to enforce said penalty for wheat grown in 1940-1941 constitutes an unwarranted extension of the powers of an administrative branch of the government in contravention of our republican form of government.

(n) That said Act, as amended, is further void in that said Secretary has unlimited power to dispose of said penalties when collected, without any lawful appropriation or specific designation by Congress, in violation of Section 9, Article 1 of said Constitution.

(o) That said Act, as amended, authorized the taking of private property for public use without just compensation, contrary to the Fifth Amendment of the Constitution.

(p) That said Act, as amended, has the effect of extinguishing the property rights of plaintiff, and others similarly situated, without legal process, contrary to the Fifth Amendment to said Constitution.

(q) That said Act, as amended, is an unauthorized and illegal attempt on the part of Congress to inflict penalties without

affording an opportunity to be heard in a judicial or other tribunal.

(r) That said Act, as amended, provides a penalty so excessive and unreasonable for the violation of alleged marketing quotas as to intimidate and coerce plaintiff and others similarly situated, and to deter them from contesting the validity of said acts in the courts, and therefore is a denial of the equal protection of the laws as provided in the Constitution.

(s) That said Act, as amended, is further void in that it violates Section 4 of Article I of the Constitution, in that Congress is without power to delegate to any group of
10 people, or to any official, or branch of the Federal Government, the authority to hold elections or to conduct a referendum.

13. Plaintiff further alleges that the purported referendum of wheat farmers held on May 31, 1941, is invalid, illegal, and of no force and effect for the following reasons, to wit: That said election was conducted by agents and employees of the Department of Agriculture, who were interested in the result of said referendum, and not by disinterested election officials, nor was any representation given the farmers affected by the election to supervise the voting and counting of the ballots. That an active campaign among said farmers, both orally and in writing, was conducted by the Secretary, Agents, and Employees of the Agricultural Department preceding said election, and that said farmers did not have the opportunity to exercise their free and voluntary judgment in casting their ballots at said election, but that they were influenced and intimidated by the Secretary, agents, employees, and representatives of the Department of Agriculture.

14. That said Secretary and said Agricultural Committee are attempting to construe said Act, as amended, retroactively and not prospectively by holding that the mere planting of wheat constitutes an unlawful act, whereas, said Act, as amended, even under a legal and proper referendum held on May 31, 1941, could not have been effective as to plaintiff's crop planted in the fall of 1940 and harvested at or near the time the said referendum was purportedly conducted and said marketing quotas adopted, as aforesaid.

15. That at the time plaintiff planted his wheat there was in effect under Section 339 of said Act, a provision for a penalty of 15 cents per bushel for wheat in excess of farm marketing quotas, if and when such marketing quotas should be made effective by proclamation of said Secretary and the referendum of the wheat farmers of the nation. That the wheat

11 farmers of the nation, including this plaintiff, because of the uncertain world situation were encouraged by the Secretary and his predecessor in office, to plant extra acres of wheat in the year 1940 for harvesting in the year 1941, and said Secretary and his predecessor at the time said wheat was planted acquiesced in the planting of extra acres of wheat to the extent of several million extra acres throughout the United States.

16. Plaintiff further alleges that he is without adequate remedy at law, and that there exists special, extraordinary, and exceptional circumstances making necessary the granting of injunctive relief to the plaintiff, and that unless the defendants are restrained from collecting the penalty aforesaid the plaintiff will suffer irreparable injury and damage. That unless restrained from doing so, the said defendants will attempt to enforce a lien on the wheat crop grown by said plaintiff, although without authority of law to do so.

SECOND CAUSE OF ACTION

Said plaintiff, for his second cause of action, adopts all of the allegations and averments contained in his first cause of action, and incorporates the same herein by reference to the same extent as if copied herein in full and at length, and further alleges and states:

1. That this is an actual and immediate controversy between plaintiff and the defendants herein and as an action brought for the purpose of obtaining a declaratory judgment as authorized and provided by the laws of the United States in such cases.

2. That the determination of the issues herein is of great importance to plaintiff and the public generally, and that by reason of the conflicting and diversified claims of various persons dealing with the defendant, and other County Committees throughout the State of Ohio, and the United States, this Court
12 should assume jurisdiction and determine the issues herein relating to the regularity or irregularity of said Act, as amended, irrespective of whether plaintiff is granted the relief sought for in his first cause of action herein.

3. Plaintiff further alleges that whether the prayer relating to his first cause of action be granted or denied, he prosecutes this, his second cause of action in good faith for the purpose of establishing, fixing, and determining the rights of the parties hereto, and all others dealing with the defendants herein, and other County Committees within and without the State of Ohio, and notwithstanding the granting or denying of any relief to plaintiff under his first cause of action, this Court should grant injunctive relief against the enforcement of the penalty referred to in plaintiff's first cause of action herein.

Wherefore, said plaintiff prays for a judgment and decree of this Court declaring said Agricultural Adjustment Act of 1938, as amended, insofar as the same attempts to enforce a penalty against this plaintiff and his property, invalid, unenforceable, and in violation of the Constitution of the United States, and further declaring that all of the acts of the defendants herein in attempting to enforce payment and collection of said penalty to be illegal, unenforceable, and void, and to declare that the aforesaid penalty provisions of said Act are unenforceable, unauthorized and illegal, and that plaintiff is not liable for said alleged penalties, and that plaintiff cannot be required and compelled to comply with the penalty provisions of said Act as amended.

Plaintiff further prays for a judgment and decree of this Court permanently enjoining and restraining the defendants from bringing, directly or indirectly any proceeding at law or in equity against this plaintiff to enforce said penalty, and from taking any action whatever against the plaintiff to enforce said penalty.

13 Wherefore, plaintiff prays that a declaratory judgment herein be entered declaring the provisions of said Agricultural Adjustment Act of 1938, as amended, insofar as the same relates to a penalty for the planting, growing, or harvesting of wheat in excess of alleged marketing quotas, are void and of no effect, for the reasons and on the grounds set forth in his bill of complaint, and for such other and further relief, judgment, orders, and decrees as the Court may find just, reasonable, and equitable.

(s) WEBB R. CLARK,

Webb R. Clark, Dayton, Ohio,

Attorney for Plaintiff.

(s) HARRY N. RUTZOHN,

Harry N. Rutzohn, Dayton, Ohio,

Attorney for Plaintiff.

(Verification of complaint executed by Roscoe C. Filburn.)

14 In United States District Court

Designation of members of statutory Three-Judge Court

Filed December 22, 1941

It having been made to appear to me as Acting Senior Circuit Judge of the Circuit Court of Appeals for the Sixth Circuit, that motions are pending in the United States District Court for the Southern District of Ohio sitting at Dayton, Ohio, for interlocutory injunctions based upon alleged unconstitutionality of the Agricultural Adjustment Act of 1938, as amended; and upon my

being advised that the statute, § 380 (a), Title 28, U. S. C. A., requires the District Judge before whom such motions are pending to request the senior Circuit Judge, or in his absence, the presiding judge of the Circuit in which such District Court is located, to designate two other judges (one of whom shall be a Circuit Judge) to participate in the hearing and determining of such motions; and having been requested by the District Judge of the said District sitting in Dayton, to make such designations, Now, Therefore,

Judge Florence E. Allen, Circuit Judge for the Sixth Circuit, and Judge John H. Druffel, District Judge for the Southern

District of Ohio, are hereby designated to sit with Robert

15 R. Nevin, District Judge of the said District, at Dayton,

Ohio, in the hearing and determining of the motions and applications in the above causes during the present term of the said District Court, or during any subsequent term to which the hearing upon the said motions may be continued.

Dated at Detroit, Michigan, this 19th day of December 1941.

CHARLES C. SIMONS,

Acting Senior United States Circuit Judge,

Sixth Judicial Circuit.

16

In United States District Court

Motion of defendants Carl R. Helke, Roy M. Baker, Homer W. Flinsbach, and Dale Williams to dismiss complaint

Filed August 16, 1941

Carl R. Helke, Roy M. Baker, Homer W. Flinsbach, and Dale Williams, defendants in the above-entitled case, by John S. L. Yost and W. Carroll Hunter, Special Assistants to the Attorney General, and Leo C. Crawford, United States Attorney for the Southern District of Ohio, acting under the direction of the Attorney General of the United States and the Department of Justice of the United States, move the court to dismiss the complaint in this case for the following reasons:

17 1. The County Agricultural Conservation Committee for Montgomery County, Ohio, of which the defendants Carl R. Helke, Roy M. Baker, and Homer T. Flinsbach are the only members, and the State Agricultural Conservation Committee for the State of Ohio, of which the defendant Dale Williams is described in the Complaint as Chairman, were organized under the provisions of the Soil Conservation and Domestic Allotment Act, as amended (U. S. C., Supp. V, Title 16, § 520g *et seq.*). As pro-

vided by Section 386 (a) of the Agricultural Adjustment Act of 1938, as amended, the said committees are utilized by the Secretary of Agriculture in the administration, by the said Secretary, of the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended. The said defendants aver that they have no power or authority, either as individuals or as members of the County and State Agricultural Conservation Committees, as aforesaid, to enforce the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, or to require the plaintiff to do, or refrain from doing, any of the acts complained of by the plaintiff, or anything whatsoever.

2. There is a lack of an indispensable party to the case in that the complaint seeks to restrain the enforcement, operation, and execution of the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, authority over which is vested, by said act, exclusively in the Secretary of Agriculture of the United States. A motion on behalf of the Secretary of Agriculture, named as defendant in this case, is now pending before the court for the dismissal of the action against him because of improper venue and because he has not been served with process in this action. The granting of said motion would result in the lack of an indispensable party in the case.

18 3. The complaint fails to state a claim against the defendants upon which relief can be granted.

/s/ JOHN S. L. YOST,
John S. L. Yost,

/s/ W. CARROLL HUNTER,
W. Carroll Hunter,

*Special Assistants to the Attorney General,
Department of Justice, Washington, D. C.*

/s/ CALVIN CRAWFORD,
Leo C. Crawford,

United States Attorney.

19

In United States District Court

*Waiver of objection to venue by Claude R. Wickard, Secretary of
Agriculture*

Filed January 22, 1942

Claude R. Wickard, Secretary of Agriculture of the United States, defendant in the above-entitled case, hereby waives his objection to venue in this action and withdraws the motion heretofore filed by him for the dismissal of the case as against him

on the ground of improper venue and improper service of summons.

(Signed) CALVIN CRAWFORD,
Leo C. Crawford,

United States Attorney, Dayton, Ohio.

(Signed) JOHN S. L. YOST,

(Signed) W. CARROLL HUNTER,

*Special Assistants to the Attorney General,
Department of Justice, Washington, D. C.
Attorneys for Claude R. Wickard,
Secretary of Agriculture of the United States.*

20

In United States District Court

*Answer of Defendant Claude R. Wickard, Secretary
of Agriculture of the United States*

Filed January 22, 1932

The answer of Claude R. Wickard, Secretary of Agriculture of the United States, defendant in the above-entitled case, to the complaint heretofore filed in said case, respectfully shows as follows:

FIRST DEFENSE TO FIRST CAUSE OF ACTION

1. The allegations contained in paragraphs one, two, three, four, five, six, and eight of the first cause of action set forth in the complaint are admitted, except that it is averred by the defendant that Dale Williams is a member of the State Agricultural Conservation Committee for Ohio but is not chairman of the said committee. The chairman of the said committee is Elmer F. Kruse. The County Agricultural Conservation Committee for Montgomery County, Ohio, referred to in paragraph two of the complaint, and the State Agricultural Conservation Committee for the State of Ohio, referred to in paragraph three of the complaint, are established under Section 8 (b) of the Soil Conservation and Domestic Allotment Act. (U. S. C., 1940 Edition, Title 16, Section 590 in (b)), and the said committees, pursuant to section 388 (a) of the Agricultural Adjustment Act of 1938 (U. S. C., 1940 Edition, Title 7, Section 1888), are utilized by the Secretary of Agriculture of the United States in the administration of the wheat marketing quota provisions of the act last mentioned as amended (U. S. C., 1940 Edition, Title 7, Sections 1281 et seq.; and 55 Stat. 203).

2. The allegations contained in paragraph seven of the first cause of action set forth in the complaint are admitted, but, in

this connection, the defendant refers to the provisions of the Agricultural Adjustment Act, as approved February 16, 1938, and to the amendments thereto, including the amendment of May 26, 1941 (55 Stat. 203) and the amendment of December 26, 1941 (— Stat. —), relating to wheat marketing quotas.

3. The defendant, in answering paragraph nine of the first cause of action set forth in the complaint, avers that farm marketing quotas for wheat are in effect under the Agricultural Adjustment Act of 1938, as amended, for the 1941 crop of wheat. Wheat produced by any farmer in excess of the farm marketing quota is, under the act, known as the "farm marketing excess" and declared to be available for marketing and subject to a marketing penalty. The penalty is 49 cents a bushel under the marketing quota program effective with respect to the 1941 crop of wheat. Each producer who has such a farm marketing excess is required to pay the marketing penalty thereon, or to store such excess, or to deliver the same to the Secretary of Agriculture of the United States. In the absence of the performance of this duty by the producer, the buyer of any wheat of the
22 producer is, under the act, required to pay the marketing penalty thereon and given the right to deduct the amount thereof from the purchase price paid to the producer. The administrative regulations issued by the Secretary of Agriculture pursuant to the authority contained in the act provide that all marketing penalties shall be paid to the Secretary of Agriculture, through the treasurer of the appropriate county agricultural conservation committee. All wheat produced on the farm is subject to a lien in favor of the United States for the amount of the marketing penalty.

It is admitted that the acreage allotment established for the farm of the plaintiff was 11.1 acres, and that the normal yield of wheat per acre for such farm was established at 20.1 bushels, and that notice of said allotment and normal yield was duly given to the plaintiff in July 1941. The defendant avers that a similar notice was given to the plaintiff in July 1940 prior to the planting of the plaintiff's 1941 crop of wheat. The defendant avers also that the plaintiff prevented the measurement of his farm, and consequently the defendant is without knowledge or information sufficient to form a belief as to the truth of the allegation relating to the amount of farm marketing excess of wheat for the farm of the plaintiff. The defendant denies the allegation contained in said paragraph of the complaint to the effect that the farm marketing excess of wheat applicable to the plaintiff's farm is not subject to the payment of the marketing penalty. It is further denied by the defendant that

the plaintiff was notified by the County Agricultural Conservation Committee for Montgomery County, Ohio, that the farm marketing excess for his farm was 239 bushels.

23 4. The allegations contained in paragraph ten of the first cause of action set forth in the complaint are denied, except that it is admitted that the County Agricultural Conservation Committee for Montgomery County, Ohio, acting under the administrative regulations issued by the Secretary of Agriculture, has refused to issue to the plaintiff a marketing card whereby the plaintiff may market any of the wheat produced by him without payment by the buyer of the marketing penalty in respect to the applicable farm marketing excess. In this connection, the defendant refers to the provisions of the act as outlined above, and to the administrative regulations issued under the authority of the act relating to the payment of marketing penalties.

5. The defendant admits the allegations contained in paragraph eleven of the first cause of action set forth in the complaint, relating to the date of the referendum and to the time when farm marketing quotas for wheat for the 1941 crop were established. In this connection, the defendant avers that farm marketing quotas for wheat for the 1941 crop became effective upon the proclamation to that effect by the Secretary of Agriculture on May 9, 1941. The defendant denies the allegations contained in said paragraph to the effect that the payment by the plaintiff of the marketing penalty on his farm marketing excess will have the effect of confiscating his property without due compensation and without due process of law. The remaining allegations of paragraph eleven are denied.

6. The allegations contained in paragraphs twelve, thirteen, fourteen, fifteen, and sixteen of the first cause of action set forth in the complaint are denied, except that it is admitted
24 (1) that the wheat farmers of the nation were, prior to the holding of the wheat referendum on May 31, 1941, informed by the Department of Agriculture of the salient facts of the wheat industry and of the effects on such industry of the presence or absence of wheat marketing quotas, and (2) that the wheat marketing penalty under the act was 15 cents a bushel instead of 49 cents a bushel at the time of the planting of the plaintiff's wheat in 1940.

FIRST DEFENSE TO SECOND CAUSE OF ACTION

1. The defendant, in answering generally the second cause of action set forth in the complaint, adopts his foregoing answer to the first cause of action set forth in the complaint.

2. The defendant admits the allegations contained in paragraph one of the second cause of action set forth in the complaint to the

effect that an actual and immediate controversy exists as between the plaintiff and this defendant, but denies that any such controversy does, or can, exist as between the plaintiff and the remaining defendants.

3. The defendant admits the allegations contained in paragraph two of the second cause of action set forth in the complaint.

4. The defendant admits the allegations contained in paragraph three of the second cause of action set forth in the complaint, except that the defendant denies that the plaintiff is entitled to any of the relief prayed in the complaint.

SECOND DEFENSE TO FIRST AND SECOND CAUSES OF ACTION

It is averred by the defendant that the applicable provisions of the Agricultural Adjustment Act of 1938, as amended, as
25 aforesaid under which marketing quotas for wheat were established by the Secretary of Agriculture, through local committees, for wheat farms, including the farm operated by the plaintiff, constitute a regulation of the marketing of abnormally excessive supplies of wheat as in, and as directly affecting, interstate and foreign commerce, and that the provisions of said act which are drawn in question by the plaintiff in this case are in every respect consistent with the Constitution of the United States, and that the administrative actions taken by the defendant, as Secretary of Agriculture of the United States, relating to wheat marketing quotas for the 1941 crop of wheat were in conformity with the provisions of said act.

THIRD DEFENSE TO FIRST AND SECOND CAUSES OF ACTION

The complaint fails to state a claim upon which relief can be granted in either the first or second causes of action contained in the complaint.

(Signed) CALVIN CRAWFORD,

United States Attorney for the Southern District of Ohio,

Address Federal Building, Dayton, Ohio.

(Signed) JOHN S. L. YOST,

(Signed) W. CARROLL HUNTER,

Special Assistants to the Attorney General,

Department of Justice, Washington, D. C.

Service of a copy of the foregoing answer is hereby acknowledged this 8th day of January 1942.

(Signed) WEBB R. CLARK, *Dayton, Ohio.*

(Signed) HARRY N. ROUTZOHN, *Dayton, Ohio.*

Attorneys for Plaintiff.

In United States District Court

Stipulation of facts and evidence

Filed January 22, 1942

It is hereby stipulated by and between the parties to the above-entitled cause, by their attorneys of record, that the said cause shall be tried and heard for final judgment and decided upon the pleadings herein and this stipulation of facts and evidence, and that, for the purposes of this case, the matters and facts contained in this stipulation may be taken by the court as true and as constituting all of the evidence and facts upon which, in addition to the allegations of the complaint admitted in the answer to be true and those matters and facts of which the court takes judicial notice, a decision may be rendered and a final judgment entered herein: Provided, however, that each of the parties hereto expressly reserves the right to contend that any matter of fact or evidence recited in this stipulation is not material or relevant to the issues herein and expressly reserves also the complete and full right to appellate review, as provided by law, of any judgment which may be entered in this cause. The exhibits hereinafter referred to and attached hereto are hereby made a part hereof.

I

ADMINISTRATIVE ACTION

The Secretary of Agriculture, acting pursuant to and in accordance with the applicable provisions of the Agricultural Adjustment Act of 1938, as amended, has issued the following proclamations, determinations, apportionments, regulations and instructions with respect to marketing quotas for the 1941 crop of wheat:

1. Proclamation to the effect that the national acreage allotment for the 1941 crop of wheat is 62,000,000 acres, and the total and normal supplies of wheat for the marketing year commencing July 1, 1940, are 949,000,000 and 872,000,000 bushels, respectively. (See Federal Register, Daily Edition, Vol. 5, No. 95, pp. 1725-1726.)

2. Apportionment of the national acreage allotment of 62,000,000 acres among the several States. (See Federal Register, Daily Edition, Vol. 5, No. 95, p. 1726.)

28 3. Apportionment of State acreage allotments among the counties. (See Federal Register, Daily Edition, Vol. 6, No. 86, pp. 2226-2231.)

4. Regulations relating to county normal yields of wheat. (See Federal Register, Daily Edition, Vol. 6, No. 2, pp. 33-37, 45.)

5. Regulations relating to the apportionment of county acreage allotments among farms in the county. (See Federal Register, Daily Editions, Vol. 5; No. 59, pp. 1148-1149; and Vol. 6, No. 79, pp. 2077-2079.)

6. Regulations relating to farm normal yields of wheat. (See Federal Register, Daily Editions, Vol. 6, No. 79, pp. 2077-2079.)

7. Proclamation under which the national marketing quota for wheat became effective with respect to the 1941 crop, wherein it is stated that the total supply of wheat for the marketing year beginning July 1, 1941, is 1,236,000,000 bushels and that such supply will exceed a normal year's domestic consumption and exports of 755,000,000 bushels by more than 35 percent. (See Federal Register, Daily Edition, Vol. 6, No. 93, p. 2375.)

8. Instructions relating to the referendum of wheat producers to be held on May 31, 1941. (See Federal Register, Daily Editions, Vol. 6, No. 36, pp. 1063-1065; Vol. 6, No. 94, pp. 2420-2421; and Vol. 6, No. 107, p. 2689.)

9. Proclamation of the results of the referendum held on May 31, 1941, wherein it is stated that a total of 559,630 wheat farmers voted in 40 States, and of this number 453,569 or 81 percent were in favor of marketing quotas and 106,061 or 19 percent were opposed to such quotas. (See Federal Register, Daily Edition, Vol. 6, No. 138, p. 3521.) A summary of the results of the referendum by States, as contained in a press release issued by the United States Department of Agriculture is as follows:

Summary of results of referendum by States

30 State	Number of votes cast			Percentage in favor
	Yes	No	Total	
Alabama	9	1	10	90.0
Arizona	111	3	114	97.4
Arkansas	119	11	130	91.5
California	1,986	1,020	3,006	66.1
Colorado	7,896	1,144	9,040	87.3
Delaware	805	76	881	91.4
Georgia	163	89	252	64.7
Idaho	12,081	764	12,845	94.1
Illinois	25,502	9,720	35,222	72.4
Indiana	20,340	10,839	31,179	65.2
Iowa	3,783	636	4,419	85.6
Kansas	81,398	20,508	101,906	79.8
Kentucky	4,081	692	4,773	85.5
Louisiana	1	12	13	7.7
Maryland	2,992	886	3,878	77.2
Michigan	5,270	1,643	6,913	76.2
Minnesota	20,614	3,282	23,896	86.3
Missouri	18,472	4,698	23,170	79.7
Montana	18,112	1,620	19,732	91.7

State	Number of votes cast			Percentage in favor
	Yes	No	Total	
Nebraska	33,206	7,224	40,430	82.1
Nevada	94	61	155	60.6
New Jersey	107	211	318	33.6
New Mexico	1,434	81	1,515	94.7
New York	1,087	909	1,996	54.5
North Carolina	1,919	371	2,290	83.8
North Dakota	66,253	3,798	69,961	94.7
Ohio	15,940	17,896	33,836	47.1
Oklahoma	31,562	7,712	39,274	79.4
Oregon	8,553	280	8,833	96.8
Pennsylvania	2,648	3,703	6,351	41.7
South Carolina	273	44	317	86.1
South Dakota	28,424	2,056	30,480	93.2
Tennessee	934	463	1,397	66.9
Texas	15,009	1,001	16,070	93.8
Utah	6,500	368	6,868	94.7
Virginia	2,218	976	3,194	69.4
Washington	14,364	960	15,324	93.6
West Virginia	269	161	430	62.2
Wisconsin	167	6	173	96.5
Wyoming	1,731	136	1,867	92.7
United States	453,569	206,061	659,630	81.0

31 10. Regulations relating to farm marketing quotas, marketing penalties, identification of wheat as subject to or as not subject to such penalties, and records and reports, known as Wheat-507 entitled "Regulations Pertaining to Wheat Marketing Quotas for the 1941 Crop of Wheat." (See Federal Register, Daily Edition, Vol. 6, No. 108, pp. 2695-2705.) These regulations were amended by the issuance of two supplements thereto. (See Federal Register, Daily Edition, Vol. 6, No. 137, pp. 3465-3467; Vol. 6, No. 175, pp. 4626.)

II

MARKETING QUOTA FOR FARM OPERATED BY PLAINTIFF IN MONTGOMERY COUNTY, OHIO

The plaintiff is a farmer who has for many years past been engaged in producing wheat on a farm situated in Montgomery County, Ohio, and owned by him. The plaintiff maintains on his farm a herd of dairy cattle and produces and sells milk. The plaintiff also raises poultry and sells poultry and eggs. The wheat produced by the plaintiff is winter wheat, which is planted in the fall. The 1941 crop of wheat harvested by the plaintiff was planted by him in the fall of 1940. The said crop was ready for harvest during the month of July 1941. A wheat acreage allotment of 11.1 acres and a normal yield of wheat of 20.1 bushels an acre, were established for the farm of the plaintiff in July 1940, for the 1941 crop of wheat. Said allotment and normal yield were established by the Secretary

of Agriculture through the County Agricultural Conservation Committee for Montgomery County, Ohio, in accordance with the provisions of the Agricultural Adjustment Act of 1938, as amended, and the administrative regulations issued by the Secretary of Agriculture under the authority contained in the act. The plaintiff received notice thereof in July 1940, before the planting of his 1941 crop of wheat and also in July 1941, before the said crop was harvested by the plaintiff. It has been the practice of the plaintiff to dispose of the wheat produced by him in the following manner:

- (a) To sell a portion thereof.
- (b) To feed part of the same to poultry and livestock which, or the products of which, are in part sold by him and in part consumed on his farm.
- (c) To use a part of the same for grinding into flour for home consumption.
- (d) To retain a part of the same for use as seed for the ensuing crop of wheat.

33 The plaintiff's farm marketing excess for his 1941 crop of wheat amounts to 239 bushels in respect to which the applicable marketing penalty prescribed by said act amounts to \$117.11. The plaintiff has not paid the marketing penalty aforesaid and he has neither stored the farm marketing excess nor delivered same to the Secretary of Agriculture as provided by the administrative regulations issued by the Secretary of Agriculture under the authority contained in the act. The said county committee has, therefore, acting under the authority of the act and of the administrative regulations issued thereunder, refused to issue to the plaintiff a marketing card.

III

The questions presented for decision in this case relate solely to the constitutional validity of the act, the principal ones of which are as follows:

1. Whether the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, constitute a valid exercise of the power of the Congress to regulate interstate and foreign commerce.

2. Whether the wheat marketing penalty prescribed by the said act may be made applicable, as provided by the Congress in the act, to the plaintiff's farm marketing excess of wheat which is available for marketing but which has not actually been disposed of by the plaintiff.

34 3. Whether the wheat marketing quota provisions of the act, as applied to the plaintiff's 1941 crop of wheat which was

planted and practically ready for harvest before farm wheat marketing quotas became effective under the said act, are consistent with due process of law.

4. Whether the increase, under an amendment to the said act, in the rate of the marketing penalty from 15 cents a bushel to 49 cents a bushel after the plaintiff's 1941 crop of wheat was planted and practically ready for harvest is consistent with due process of law.

IV

SPEECH OF SECRETARY OF AGRICULTURE CLAUDE R. WICKARD.

On May 19, 1941, defendant Claude R. Wickard, Secretary of Agriculture, delivered an address by radio broadcast over Farm and Home Hour in Hutchinson, Kansas, at 11:30 o'clock, Eastern Standard Time, the same being in words and figures as follows:

35 United States Department of Agriculture, Washington, D. C.
For May 19, 1941, P. M. Papers:

WHEAT FARMERS AND THE BATTLE FOR DEMOCRACY

ADDRESS BY THE SECRETARY OF AGRICULTURE, CLAUDE R. WICKARD,
OVER FARM AND HOME HOUR IN HUTCHINSON, KANSAS, MONDAY,
MAY 19, AT 11:30 O'CLOCK, EASTERN STANDARD TIME

I welcome the opportunity to speak with you today, and I only wish it were possible for us to spend the time comfortably discussing some of the ordinary problems of the world, and of agriculture in particular.

Unfortunately, an ordinary problem is a luxury today. Before us are a whole set of extraordinary problems, born of a time as critical as any in all our history.

Overshadowing everything is the world crisis. The times through which we are passing will decide what kind of a future the United States will have. We are determining whether we intend to remain a great democracy, and perhaps a great world power.

We must plan our lives and everything we do in the light of the world situation. What farmers plant and when they plant it is directly affected by the titanic struggle going on overseas. Here in this great granary region, we must decide what to do about wheat in the light of the developments brought about

by the war. And one important decision about wheat must be made very soon—the decision on wheat marketing quotas on May 31.

36 This is a time of trouble and yet Americans have many things to be thankful for. One reason for thanksgiving is that the power of making decisions still rests with the people of the United States. When wheat farmers go to the polls on May 31 they vote their own convictions. They will say what is to be done. This is not true in many countries in the world today, and the number of countries in which the people speak and are heard has grown smaller and smaller within the past few years.

So while our problems multiply let us remember that the privilege of saying what will be done about them is priceless. It is a democratic privilege. Let us use wisely this privilege, so that it will be the heritage of our children. Nothing we can leave them will mean more to them, or more to the generations yet unborn over all this earth.

To make wise decisions, we need to know the facts. What then, in view of the vote on May 31, are some of the facts about wheat? For one thing, we have a record amount of old wheat on hand and a bumper crop in prospect. That is something to be looked at with satisfaction on one hand and with alarm on the other. The huge stocks of wheat show that the country has an ample supply of one of our most precious foods. In this critical time, the abundance of wheat should be a comfort to every person in America.

But farmers, by sad experience, have learned that large supplies can mean glutted markets, low prices, and hard times that bring almost as much suffering to farmers as scarcity of bread would bring to city consumers.

And, because of the world wheat situation, farmers this year have other reasons for alarm. They know that the usual world market for wheat has almost disappeared and that the world outside the United States has a record supply of wheat, too. From the standpoint of our exports, the wheat situation was never worse.

37 I spoke just a moment ago about our record carry-over of wheat. We are going into the new wheat marketing year with a carry-over of old wheat of around 400 million bushels. The bins are bulging, the terminals spilling over. Another good crop is coming along. The estimates foreshadow a total crop of around 800 million bushels.

Add that to the 400-million-bushel carry-over and we have almost a billion and a quarter bushels. What are we going to do with

all that wheat? We have storage capacity for 800 to 900 million bushels. Until the mills grind a couple of hundred million bushels some of this year's crop will be housed in temporary storage. Maybe some of it will be piled on the ground like Canada's 1940 crop.

We'll be lucky if we export 25 million bushels during the season. To be liberal, let's say we consume 700 million bushels domestically. That leaves 475 million bushels to carry into the succeeding marketing year. Plain arithmetic tells us how badly we need a wheat marketing quota.

Some farmers may ask why we need a wheat marketing quota if we don't need a corn quota. Well, we have found a new export demand for corn in the form of meat, milk, and eggs for Britain. Bigger pay rolls in this country mean more meat consumed at home. We want to be sure there is no shortage of corn to produce this food that we need for the British and for ourselves.

Britain will need little of our wheat and we have seen to it that there will be no shortage, no matter what the demand. Because of the uncertain world situation, we deliberately planted several million extra acres of wheat this year. Most of it turned out well. All danger of scarcity has passed and now the danger is the danger of glut. Farmers should not be penalized because they have provided insurance against shortages of food.

The nation wants farmers safeguarded against unfair
38 penalties. The nation also wants other protection given agriculture. One expression of this wish is the national farm programs. These programs protect all farmers. Since the second world war began, commodity loans have stood between wheat producers and the economic blitzkrieg.

Without the programs, wheat prices would be threatening the low record of 1932 instead of being within striking distance of parity as they are now.

As you all know, parity is one of the most important objectives of the national farm programs and will continue to be a goal, just as soil conservation, for example, will continue to be a goal. We've been trying to reach that parity goal since 1933 and we've made a lot of progress.

This Administration developed the parity concept and the President has worked for it all along. Had it not been for such set-backs as the Supreme Court decision which killed the original Triple-A, farmers probably would have had parity long ago. The President is still working for parity and in this connection, I have some grand news. I talked to the President only a few hours before I left Washington. He told me he wants the basic crops to reach parity this year. He told me also that he thinks

wheat farmers, taking loans and payments into account, will get parity on this year's crop.

This news is further proof—although none is needed—that Franklin D. Roosevelt is the best friend that farmers have ever had in the White House.

The President told me that he knew farmers want fair treatment and want to be fair in return. He said he was sure they did not want loans or money paid out of the Treasury to bring their prices higher than parity levels. He told me—and I use his exact words—"In this critical time, you can depend on it that farmers won't rock the boat."

39 If wheat farmers do get parity—and I'm sure they will—farmers should not overlook the work of farm organization leaders who have labored steadfastly for equality for agriculture. And, a lot of the credit must go to Congress. Only last week, the Senate and House sent to the White House a bill calling for an 85 percent of parity loan for wheat and the other basic commodities.

But no wheat loan will be made unless wheat farmers vote for marketing quotas and without the loan there is no hope for parity on wheat in 1941. So parity for wheat is up to the wheat farmers themselves.

For all their difficulties, American farmers have the fattest pocketbooks of any farmers in the world. Take wheat farmers, for example. If we look around us a bit, we will soon see how well off, comparatively speaking, they are and how effective the wheat programs really are. We need to look no further than across our northern border at our good neighbor, Canada.

Average prices of wheat to Kansas wheat growers in mid-May were about 80 cents. This compares with about 45 cents to Canadian farmers (United States money). Leaving out government payments, American producers probably will receive over twice as much for this year's wheat as Canadian growers.

Every wheat farmer ought to rejoice that he is raising wheat in the U. S. A. I join in that rejoicing for I am not only a corn-hog farmer, I am a wheat farmer too. I hold Wheat Marketing Quota Card No. 1, and am proud of the honor. My wheat allotment is only 36.7 acres. This may seem pretty small to your Kansas people, but in common with other small wheat growers, I want protection just as much as any one else.

In return for this protection, wheat farmers must help protect themselves. Congress has said to us, in effect:

"You'll be given protection if you'll put your own house in order. You'll be given protection provided you're willing to keep the market from being glutted with surplus wheat."

40 The law provides that wheat loans will not be made if wheat growers vote down marketing quotas. This provision seems fair to me. If we aren't willing to protect our own farm programs, we can't expect them to protect us.

The continuance—or discontinuance—of government loans on wheat is at stake in this referendum on May 31. To put it bluntly, no quotas, no loans. And, judging from prices in Canada, rejection of marketing quotas on May 31 would just about cut the price of wheat in this country in half.

Some other things involved in the decision wheat farmers are going to make on May 31 go beyond the wheat loan and prices for wheat. These things go to the heart of some questions that are being asked nowadays—Is democracy outmoded? Can we continue to make democracy effective? Can wheat farmers, for example, work out their economic problems through the democratic processes?

Now, of course, I am not saying that the continuance of democracy depends on the result of the wheat referendum. That would be going much too far. Yet in this period the world is looking at every move we make and how we meet every test. From these moves, conclusions will be drawn as whether our democracy has gone soft, or whether it is hard and packs a real punch, and whether it can do the job it must do to survive.

As a farmer, I know the necessity for higher prices for farm products. I know that parity prices are fair and just. But I want these parity prices to be put on a stable and lasting basis. High prices without adjustment of supply are certain to be followed by ruinously low prices. We know that from experience. We want fair prices now and fair prices later on. We don't want another Farm Board fiasco.

I wish that corn and wheat farmers were able to vote on marketing quotas before they plant their crops, instead of afterwards as is the case now. Cotton, tobacco and rice farmers vote on quotas before they plant and I see no good reason for denying this privilege to wheat and corn growers. I am sorry that the legislation authorizing loans at 85 percent of parity did not change the time for voting on wheat and corn quotas. This provision was recommended by the Department of Agriculture and we plan to recommend it to Congress again. Yet the fact that the referendum on wheat quotas comes after the crop is almost ready for harvest in no way alters the significance of the vote.

The wheat vote is significant but within the near future, farmers and the American people, have other decisions to make that are far more significant. We must decide how the nation is to conduct itself in a world that is on fire. Are we going to help put out the

flames or are we going to wait and hope that the blaze doesn't reach us?

I know the war seems a long way off and here in Kansas a lot of us feel safe because we have the good old Atlantic and Pacific oceans between us and the actual fighting. Perhaps some people rely also on Hitler's word that he has no designs on this hemisphere.

The ones who rely on Hitler's word must be a pretty small group after all. Chamberlain's England relied on Hitler's word. Poland relied on Hitler's word. Belgian and other conquered countries relied on Hitler's word. To Hitler a promise is something to be broken when the time comes.

"But what about the oceans?" someone may ask. They are very real things, thousands of miles wide.

Throughout our history we have been blessed by the existence of these oceans. We have been blessed by their existence, however, only because for more than 100 years they have remained in the control of friendly powers.

42. But if one or both of these oceans should fall under the control of powers unfriendly to us, then our friendly, protective oceans become highways of menace and invasion.

That is a simple fact, but it is of supreme importance to the future of this Nation.

For generations past the British Isles and the British Navy in the Atlantic Ocean have been friendly to us and have enabled us to keep most of our fleet in the broad reaches of the Pacific, there to protect our interests and our future. We do not yet have a fleet big enough to patrol two hostile oceans. Meanwhile, if we have the sense Yankees are traditionally credited with, we will do everything in our power to see that the British Navy remains intact and on our side.

Whatever may be said about past sins or present motives of Britain, is beside the point in this present moment. What is to the point, if we are hard-headedly concerned about the interests of the United States, is our ability and determination to keep Britain and the British Navy afloat and in control of the Atlantic Ocean.

Accordingly it is plainly to our interest, let alone being a national pledge and commitment, to live up to the announced intentions of the Lease Lend Act. We agreed in that Act, by an overwhelming majority, to provide Britain and other democracies with the armament and the food with which to carry on the fight against aggression and world conquest.

It is true that Hitler has not crossed the English Channel. Now, why not? We all know why. It is because he is held back,

first, because of the courage and bravery of the people in Britain. Second, because he has respect for the English Navy and air force.

43 These obstacles stand between Hitler and the island of Britain. They also stand between Hitler and the United States.

I don't like to think of what would happen if the courage or endurance of the English gave out and the English Navy, the French Navy, the Italian Navy, the German Navy were all under control of the world's most ruthless conqueror. Add to this navy the potential production of the shipyards in countries under German control. What does it mean? It means that men and machines, could be transported to this hemisphere faster by the Atlantic Ocean than if that body of water were dry land. You could blow up railroads and their terminals, and you could wreck highways. But you can't blow up the ocean, and you can't wreck it.

The British Isles and the British Navy are our first line of defense. If they are taken over by any European country, our naval and air bases in the Atlantic and the Panama Canal would all be in a precarious position. If these bases fall into hostile hands, what then? You know the answer to that question as well as I do.

Together, the United States and Britain can exceed the production of Germany and all the countries she has occupied from Norway to Greece. But if England goes down, Germany and her Allies exceed us in productive capacity. Modern wars are won by productive power, the ability to make planes, tanks, and guns. Let those who advocate leaving Britain to her fate think about our situation if Britain should fall.

Let us not deceive ourselves. Some persons said Germany did not have the resources for a long war. She has them now or seems to be well on her way toward getting them. Hitler is systematically exploiting the conquered countries. They are paying billions of dollars in tribute to the conqueror and millions of their citizens are working for him. Millions of French, Belgium,

44 Dutch, and Danish farmers are working for the Nazis. They have to work for him whether they want to or not. Hitler has gained in strength from the time this war began. With Great Britain on her feet, the democracies still are stronger than the Nazis and Fascists combined. With Great Britain down, the picture changes.

We are producing food and munitions for Britain as fast as we can. We will be producing in even greater volume a few weeks and months hence. But now we learn that quite a bit of this product of our sweat and toil is not reaching its destination.

Some of it is getting no farther than the bottom of the Atlantic. Yet there are people who say all we have to do is produce and not bother about delivery.

But the Lease-Lend Act was not merely a device by which we would increase production in this country; my recollection is that it was a pledge, a deliberate and carefully conceived pledge, to help the democracies of the world in their battle against Nazism. We made this pledge only after weeks of debate and careful consideration, with full knowledge that whatever the risks involved, this was the course best calculated to preserve and protect the interests of the United States.

There is no sense in producing for delivery at the bottom of the ocean. There can be only absurdity, anticlimax, and danger in that course. I say, let's see that the goods are delivered. And I'm sure the people here in the Plains—you Kansans backed by the tradition of the Beecher Bible and rifle colonists of Fred Funston and his Twentieth Infantry—I'm sure you say the same. Your history proclaims that you will do what needs to be done in your own interests and in the national interests. It may have to be done the hard way but that's a Kansas tradition also. Your State motto says—"To the stars through difficulties."

The same spirit of determination runs through all these Plains States that are the great wheat belt of America. Kansans, 45 Oklahomans, Nebraskans, Texans, Dakotans and all the men of the Plains are ready to fight for the ideals they hold sacred. You will do what has to be done.

Some persons are saying that the odds against us already are too great; that we'd better pipe down and keep quiet. I don't think there are many of those persons or that they amount to very much. The events of recent days give new proof that the Nazis are deliberately trying to form a combination of nations to attack us. I know what the answer of the American people will be to that. The answer to any dictatorship combination aimed at the United States will be something the Nazis understand and respect—armed might.

All over this world of ours humanity is watching the United States. We are the only hope of millions living in bondage. In Latin-America, many countries are watching us to see whether we will make good our promises, or whether we simply mean to talk and gesture. If democracy has grown soft and flabby, why perhaps other countries will embrace a way of life that, for all its terror, seems to have iron in its soul. In Britain millions are watching us. They have fought a gallant fight but they can't go on unless our help is made effective. The Nazis and Fascists are watching us and every sign of indecision and division fills them with joy. If we simply talk, why the rest is easy. They'll rule the world and spit on democracy every day.

I don't think the American people want to live in a world run by the Nazis. I don't think they intend to live in a world run by the Nazis. A world run by the Nazis means the destruction of freedom and democracy in the United States. We'll do whatever is necessary to protect our freedom and our democracy.

46

V

STATEMENT OF ECONOMIC DATA OF THE WHEAT INDUSTRY ¹

I

SCOPE OF WHEAT GROWING

The major food plant, wheat, is grown extensively throughout the world, occupying about 400 million acres a year in more than 50 different countries. Certain countries stand out on Map 1 as important producers of wheat. Wheat acreage in European countries averaged 77 million acres in the 1930's, but European countries as a whole consume more wheat than they produce. The important surplus-producing countries competing with the United States in the world markets are Argentina, Australia, Canada, the Danubian countries, and the Union of Soviet Socialist Republics. Average acreage during the ten years 1930 to 1939 in these countries was 19 million, 14 million, 26 million, 21 million, and about 90 million acres, respectively. Seeded wheat acreage in the United States during the same period averaged 50 million acres. Chart 1 and Table 1 show acreage in the important wheat-producing countries from 1921 to date.

Wheat is not grown to any extent in the warm, humid parts of the world and is confined almost entirely to regions with temperate climates. Where the moisture is not excessive it is grown in relatively warm climates, as in Northern Africa, India, and Mexico. Both India and China are commonly thought of as rice countries, but India grows about 35 and China around 50 million acres of wheat.

47 Wheat is one of the most important crops produced in the United States. According to the 1939 Census, it is grown in every State except Florida, and in 2,634 of the 3,072 counties in the United States. About one-quarter, or nearly one and a half millions, of the farms of the United States grow wheat, with less than one percent of the farms growing wheat in some of the New England and Southern States and an average of 64 percent for Kansas and 89 percent for North Dakota. Map 2 shows distribution of wheat production by counties, and Map 3 and table 2 show data on number and percentage of farms growing wheat.

¹ This Statement is based on several publications of the Department of Agriculture and a few publications prepared outside the Department.

In 1939 over 50 million acres of wheat were harvested, with the average acreage of wheat harvested per farm varying from 3 and 4 acres in some of the New England and Southern States to 155 acres for Washington. For Montana, the average acreage of wheat was 121, California 118, North Dakota 105, and Texas 104 acres per wheat farm. Again, in the very minor wheat-producing States, wheat acreage harvested in 1939 was less than one percent of the cropland, and in Kansas and Washington it averaged 27 percent. An average of 25 percent of the cropland in North Dakota and 21 percent in Montana and Oklahoma was given over to wheat. Table 2 gives these data by States.

In the areas of great specialization in wheat growing, the price of wheat not only directly affects the welfare of all the farmers dependent upon the crop for a part or all of their income, but also vitally affects the whole community. The South is dependent upon the North for its wheat and flour and the manufacturing cities of the East depend upon States to the West for most of their bread grain supplies. Importance of wheat growing, by States, is shown by Tables 3, 4, 5, 6, and 7 which give data on seeded and harvested acreages of wheat, yield per acre, total production, and farm value, from 1926 to 1941.

For the purposes of the United States official grain standards, wheat is divided into seven commercial classes: (1) Hard Red Spring, (2) Durum, (3) Red Durum, (4) Hard Red Winter, (5) Soft Red Winter, (6) White, and (7) Mixed. Each of the classes has two, three, or four subclasses, and each subclass has five numerical grades. Subclasses are recognized because, within a class, the best outward index of quality from the standpoint of utilization in flour, is the color and texture of the kernels; that is, whether dark, hard, and vitreous, or yellow, mottled, and starchy. Wheat of one class may include not more than 10 percent of wheats of other classes. The mixed wheat class includes all mixtures of wheat not provided for in the other six classes.

Wheat acreage in the United States is concentrated in four or five main areas. Acreage has been designated on Map 4 according to the principal class of wheat grown, and Chart 2 and Table 8 show the wheat acreage in these regions from 1919 to 1940.

Hard Red Spring wheat is grown principally in the northern Great Plains area; that is, in Montana, North Dakota, South Dakota, and western Minnesota, where the winters are too severe for the production of winter wheat. In North and South Dakota and western Minnesota considerable acreage of Durum wheat, flax, oats, and barley is grown, but in Montana less emphasis is placed on these crops. Throughout this region the topography is level and well suited for large-scale grain farming, and the distribution of rainfall, fertility of the soil, and

length of growing season render the region more adapted to the production of wheat than any other crop. Much of the wheat in this area west of the 100th Meridian is alternated with summer fallow. Most of the wheat is sold for cash, although some farms and ranches grow wheat for feed as hay or grain. The strongest flour for bread making is produced from this high-protein Hard Red Spring wheat.

The Durum wheats are grown principally in eastern North Dakota and South Dakota and occupy a part of the same territory in which Hard Red Spring wheat is grown. Durum wheat is used largely for making semolina, from which macaroni, spaghetti, and similar products are manufactured. Durum wheat that is not used by the macaroni industry is utilized for feed or is blended with other classes of wheat or flour.

Hard Red Winter wheat is grown chiefly in the central and southern Great Plains area, where hot summers and rather severe, dry winters prevail. The varieties of this class of wheat are among the most winter hardy and drought- and heat-resistant of any grown in the world. Kansas, Texas, Oklahoma, Nebraska,
50 and eastern Colorado produce almost all of the Hard Red Winter wheat. In this region there is a simple cropping system, consisting principally of wheat in combination with grain sorghums, corn, or barley as feed crops. In the area west of the 100th Meridian and north of Oklahoma much of the wheat is alternated with summer fallow. Here also most of the wheat is sold for cash. The region as a whole is a level, unbroken, treeless plain, lending itself well to the use of machine methods and large-scale operations. Production is on a large scale, particularly in the Panhandle of Texas and Oklahoma and southwestern Kansas. Hard Red Winter wheat is the largest and in many respects, the most important commercial class of wheat in the United States. More than 27 million acres were seeded to wheat in the Hard Red Winter wheat region for 1940, which is over 40 percent of all wheat seeded in the United States. This wheat ranks close to Hard Red Spring wheat in protein content and bread-making qualities and is used extensively for blending with softer varieties and with wheats of low protein content.

Soft Red Winter wheat is grown principally in the eastern half of the United States. One of the main areas comprises the Corn Belt States of Illinois, Indiana, Ohio, and Missouri. Throughout this region the rainfall and temperature conditions are favorable to both corn and wheat production. In fact, corn is the more important crop of the region, and wheat is grown here mainly because it fits well into the farming system. Wheat and oats are
51 used as a nurse crop to get the land into a hay crop. The scale of operation in this area is considerably smaller than that practiced in the other two areas discussed. Soft Red Winter

wheat is used in the manufacture of both bread-making and pastry flours, but flour from Hard Red Spring and Hard Red Winter wheats is usually blended with that of this class to make it a stronger bread flour.

The other main Soft Red Winter wheat producing area is in the Appalachian Plateau, centering in southeastern Pennsylvania, Maryland, Delaware, and northern Virginia. A common rotation in this area is sod, a row crop, oats, wheat, and back to sod for one or two years. Wheat is considered the best nurse crop for the seeding of grasses. Almost all of the wheat farmers in this area use some wheat for feeding purposes, but only a few use their own wheat for flour.

Scattered areas or farms producing Soft Red Winter wheat are found in Kentucky, Tennessee, West Virginia, southern Virginia, North and South Carolina, and Georgia, and although the production of wheat in these areas is of little importance nationally, it plays a fairly important role in the agriculture of these localities. Wheat in this area is grown largely as a supplement to, and in rotation with, other crops. It serves, along with legumes and grasses, as an important cover crop to prevent soil erosion and leaching. It is often grown because it can be converted to cash before the main cash crops of the area are harvested. Wheat often provides satisfactory pasture in the fall and winter, and is sometimes grown for hay. In much of this area wheat is grown for local consumption as flour as there are many small mills in the region and to a large extent home-grown wheat is ground instead of shipping in flour.

White wheat is grown chiefly in the far western States, especially in Washington, Oregon, and Idaho, centering in the Columbia River Basin, where both winter and spring varieties are grown. It is also grown to quite an extent in California and also in Michigan and New York. The Columbia River Basin is one of the most noted dryland wheat farming regions in the United States. Because of low rainfall the prevailing practice in this region is to alternate wheat and summer fallow. Even in the parts of the region where climatic conditions do not preclude alternatives, wheat continues to be the principal crop, and large scale grain farming is practiced in the whole region. Table 2 shows that in 1939, Washington's 3,476 bushels was by far the largest average wheat production per wheat farm of any State. The soft white wheat that is grown in this region is used in making biscuit and pastry flours and breakfast foods, or is blended with hard wheats for bread flours. A large percentage of White wheat produced is exported, for which the Orient has been its most important market.

Map 1

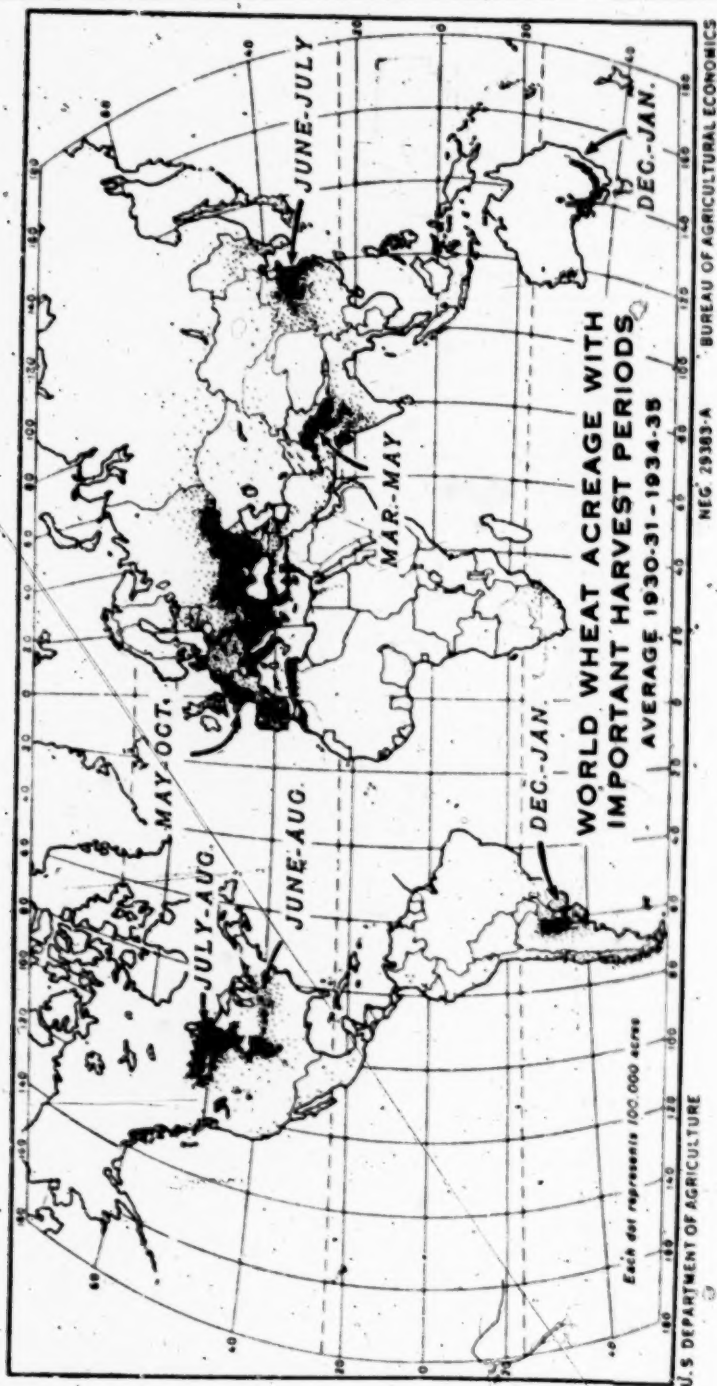
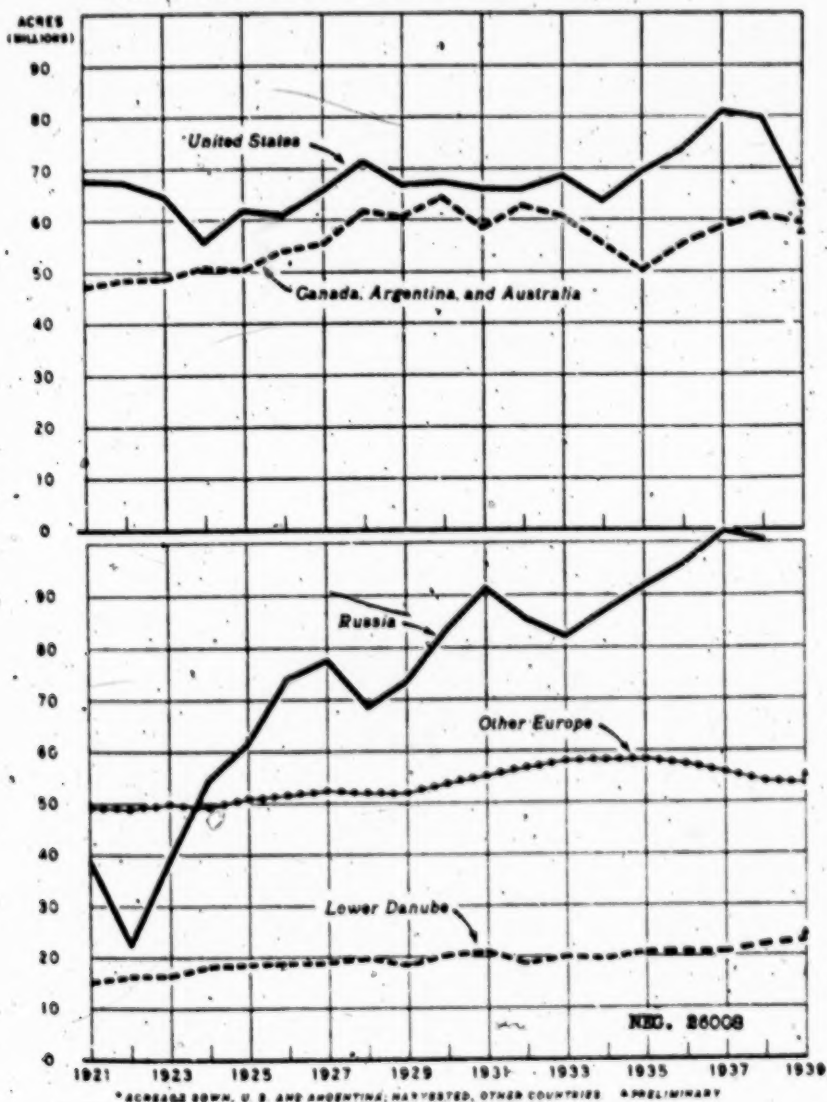


Chart 1

WHEAT: ACREAGE IN SPECIFIED COUNTRIES, 1921-39*



Wheat acreage increased generally from about 1924 to about 1937. Reductions in the 3 major exporting countries in 1934-36, were mostly due to unfavorable weather conditions. The greatest increase has taken place in Russia, but there was also an increase in the wheat area of the importing countries of Europe following 1929, when restrictions on the importation and use of foreign wheats became drastic.

TABLE 1.—Wheat: Acreage¹ in Specified Countries, 1921 to 1940

(Million acres)

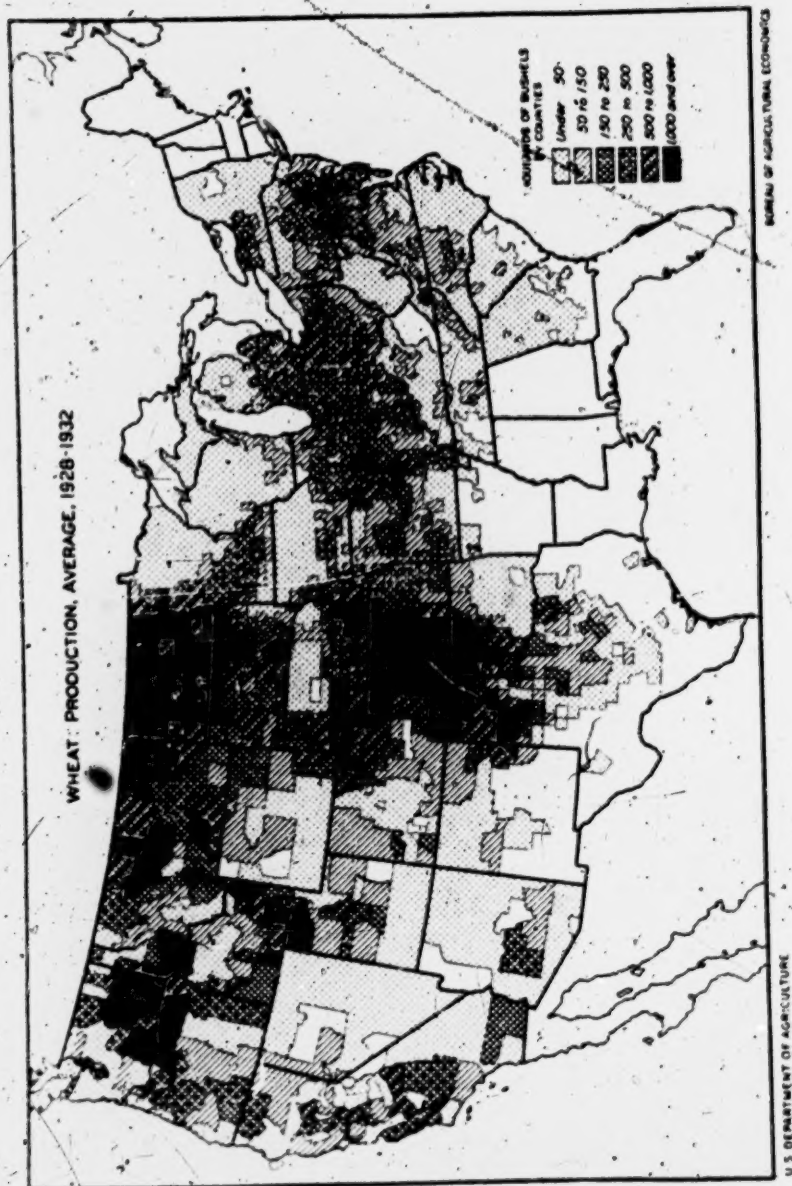
Year of harvest ²	World, excluding U. S. S. R. and China	United States	Canada	Argentina	Australia	Europe			U. S. S. R.
						All	Lower Danube	Other	
1921	(*)	68	23	14	10	64	15	49	35
1922	(*)	67	22	16	10	65	16	49	22
1923	236	65	22	17	10	66	16	50	39
1924	229	56	21	18	11	67	18	49	54
1925	241	62	21	19	10	69	19	50	62
1926	245	61	23	19	12	70	19	51	74
1927	250	66	22	21	12	71	19	52	77
1928	266	71	24	23	15	71	20	51	68
1929	259	67	25	20	15	70	18	52	74
1930	268	67	25	21	18	74	20	54	83
1931	266	66	26	17	15	76	21	55	91
1932	272	66	27	20	16	75	19	56	85
1933	274	68	26	20	15	78	20	58	82
1934	267	64	24	19	13	78	20	58	87
1935	269	69	24	14	12	79	21	58	92
1936	270	74	26	19	12	78	21	57	96
1937	280	81	26	21	14	77	21	56	102
1938	292	80	26	21	14	76	22	54	101
1939	274	64	27	18	13	77	23	54	(*)
1940	270	62	29	18	12	(*)	(*)	(*)	(*)

All figures are acreage harvested except the U. S. and Argentina, which are acreage sown.
² Refers to year of harvest in Northern Hemisphere, although includes data for the Southern Hemisphere where the harvest ends early the following year.

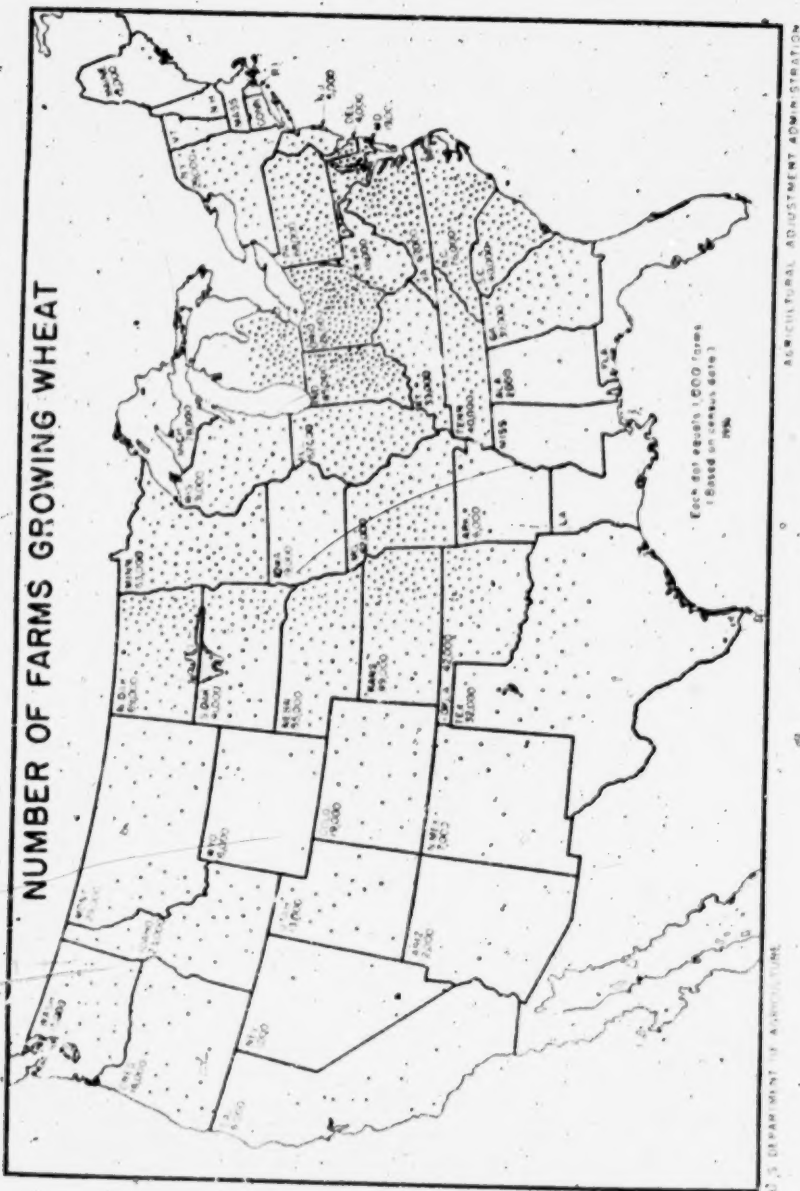
³ Preliminary.
⁴ Not available.

Map 2

55



Map 3



57 TABLE 2.—Number and size of farms with particular reference to wheat farms, by States, 1939 census

State	Total farms	Farms harvesting wheat	Percent of total farms harvesting wheat	Average wheat production per wheat farm	Average wheat acreage harvested per wheat farm	Wheat acreage harvested as percent of cropland	Percent of wheat acreage harvested with combine (1938)
	Number	Number	Percent	Bushels	Acres	Percent	Percent
Maine	38,980	500	1	56	3	(1)	(2)
New Hampshire	16,554	11	(1)	71	4	(1)	(2)
Vermont	23,582	57	(1)	75	4	(1)	(2)
Massachusetts	31,897	38	(1)	145	7	(1)	(2)
Rhode Island	3,014	7	(1)	150	7	(1)	(2)
Connecticut	21,163	43	(1)	71	3	(1)	(2)
New York	153,238	26,825	18	244	10	3	11
New Jersey	25,835	4,141	16	266	12	4	24
Pennsylvania	169,027	81,325	48	222	11	10	6
Ohio	233,783	130,822	52	307	15	12	22
Indiana	184,549	75,411	41	340	19	10	30
Illinois	213,439	63,963	30	601	29	7	44
Michigan	187,589	69,197	37	228	11	6	16
Wisconsin	186,735	18,856	10	51	4	1	3
Minnesota	197,351	81,167	41	251	18	6	6
Iowa	213,318	21,601	10	304	17	1	28
Missouri	256,100	70,958	28	435	26	8	22
North Dakota	73,962	65,815	89	1,052	105	25	23
South Dakota	72,454	40,337	56	431	51	9	19
Nebraska	121,062	58,212	48	596	54	12	51
Kansas	156,327	100,240	64	1,121	92	27	82
District of Columbia	65						
Delaware	8,994	2,829	31	400	23	11	11
Maryland	42,110	17,140	41	384	20	13	3
Virginia	174,885	52,640	30	137	9	6	3
West Virginia	99,282	16,223	16	110	8	3	1
North Carolina	278,276	57,695	21	56	7	5	11
South Carolina	137,558	41,111	30	52	4	3	8
Georgia	216,033	29,911	14	55	5	1	11
Florida	62,248						
Kentucky	252,894	30,197	12	121	11	2	8
Tennessee	247,617	35,305	14	110	10	3	6
Alabama	231,746	967	(1)	56	5	(1)	22
Mississippi	291,092	79	(1)	413	16	(1)	(1)
Arkansas	216,674	3,204	1	110	10	(1)	12
Louisiana	150,007	8	(1)	75	4	(1)	(1)
Oklahoma	179,687	51,250	29	1,141	81	21	70
Texas	418,062	26,387	6	1,065	104	6	82
Montana	41,823	25,192	60	1,602	121	21	55
Idaho	43,653	22,795	52	979	39	19	40
Wyoming	15,018	4,369	29	412	37	5	32
Colorado	51,436	15,906	31	715	64	8	44
New Mexico	34,105	6,211	18	498	43	6	58
Arizona	18,468	1,380	7	442	18	2	93
Utah	25,411	12,301	48	330	16	11	41
Nevada	3,573	832	23	423	15	1	63
Washington	81,686	12,668	16	3,476	155	27	83
Oregon	61,829	14,734	24	1,042	49	14	78
California	132,658	5,011	4	2,070	118	5	95
United States	6,096,799	1,385,279	23	512	36	10	49

¹ Less than 0.5 percent

² No information obtained.

58 TABLE 3.—All wheat: seeded acreage, by States,¹ 1926 to 1941

State	1926	1927	1928	1929	1930	1931	1932	1933
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Maine	4	3	3	2	2	2	4	2
Vermont	2	2	1	1	1	1	1	1
New York	302	304	336	247	243	213	204	241
New Jersey	67	63	58	55	55	53	52	50
Pennsylvania	1,154	1,049	1,100	997	1,016	970	936	961
Ohio	1,783	1,627	2,342	1,625	1,952	1,879	1,765	2,121
Indiana	1,818	1,930	2,386	1,633	1,705	1,746	1,515	1,690
Illinois	2,377	2,591	3,519	2,265	2,213	2,111	1,717	1,931
Michigan	965	817	871	802	746	745	741	911
Wisconsin	129	136	113	97	101	90	112	108
Minnesota	1,885	1,780	1,693	1,427	1,402	1,229	1,472	1,716
Iowa	401	462	579	438	442	368	301	271
Missouri	1,489	1,754	2,230	1,597	1,436	1,612	1,559	1,418
North Dakota	9,461	10,336	11,043	10,694	10,046	10,190	10,898	11,372
South Dakota	2,920	3,255	3,819	3,758	3,864	3,513	3,931	4,329
Nebraska	3,548	3,881	4,154	4,047	4,071	3,644	3,322	3,364
Kansas	11,095	12,750	12,761	13,142	13,687	13,898	12,963	13,231
Delaware	108	102	106	107	106	96	85	87
Maryland	497	497	511	514	493	445	414	419
Virginia	629	633	647	667	599	621	594	578
West Virginia	126	114	119	106	122	134	123	133
North Carolina	391	392	388	360	277	363	426	452
South Carolina	47	77	61	55	40	72	131	128
Georgia	84	98	69	51	30	64	137	140
Kentucky	238	275	393	209	220	295	360	364
Tennessee	362	413	431	292	222	296	349	376
Alabama	3	4	2	2	2	4	7	5
Mississippi	2	3	2	2	2	4	7	5
Arkansas	26	29	23	18	30	61	58	55
Oklahoma	4,420	4,765	4,960	4,868	4,576	4,615	4,407	4,419
Texas	2,182	2,868	3,102	3,272	3,971	4,594	4,710	4,784
Montana	3,790	4,107	4,575	4,771	4,643	4,170	4,476	4,068
Idaho	1,143	1,280	1,342	1,329	1,251	990	1,188	1,064
Wyoming	244	300	369	368	364	389	385	372
Colorado	2,090	2,273	2,227	1,899	2,016	1,678	1,700	1,326
New Mexico	249	262	372	421	464	496	463	432
Arizona	29	31	22	18	17	24	27	44
Utah	230	236	258	270	296	291	278	257
Nevada	17	18	16	14	13	14	18	16
Washington	2,022	2,211	2,312	2,507	2,698	2,369	2,385	3,039
Oregon	1,091	1,111	1,045	1,104	1,071	988	1,022	1,525
California	702	794	802	791	667	695	669	782
United States	60,712	65,661	71,152	66,840	67,156	65,908	65,913	68,485

¹ No data reported for some New England and Southern States which show a little wheat in 1939 Census.

TABLE 3. All wheat: seeded acreage, by States,¹ 1926 to 1941—Con.

59	State	1934	1935	1936	1937	1938	1939	1940 ²	1941 ²
		1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
	Maine	7	10	7	4	4	4	4	4
	Vermont								
	New York	285	297	290	356	311	278	319	319
	New Jersey	53	59	69	76	72	79	72	75
	Pennsylvania	990	1,024	1,054	1,095	1,082	954	945	945
	Ohio	2,045	2,153	2,315	2,546	2,416	2,038	1,981	2,019
	Indiana	1,883	1,945	1,868	2,309	1,918	1,627	1,575	1,606
	Illinois	2,188	2,137	2,260	2,841	2,340	2,072	1,800	1,883
	Michigan	899	887	843	1,046	927	796	769	754
	Wisconsin	124	139	110	135	123	93	88	89
	Minnesota	1,644	2,084	1,900	2,206	2,638	1,609	1,629	1,597
	Iowa	374	428	436	886	631	451	359	388
	Missouri	1,676	2,139	2,267	3,508	2,598	1,962	1,803	1,838
	North Dakota	9,210	10,821	10,810	10,071	10,196	8,180	8,846	8,785
	South Dakota	3,035	3,634	4,197	3,648	3,966	2,940	3,121	3,057
	Nebraska	3,373	3,687	4,010	5,028	5,041	3,978	3,207	3,493
	Kansas	12,699	13,456	14,294	17,110	16,945	13,895	12,531	13,022
	Delaware	83	86	89	88	86	75	76	76
	Maryland	416	439	461	483	483	398	404	404
	Virginia	617	642	655	658	638	555	566	577
	West Virginia	150	150	174	182	167	157	154	154
	North Carolina	509	525	560	524	492	443	465	498
	South Carolina	163	177	190	162	166	216	223	230
	Georgia	175	201	217	180	187	196	200	200
	Kentucky	442	468	468	608	645	464	441	454
	Tennessee	435	488	475	562	517	388	399	419
	Alabama	10	7	7	8	6	6	7	7
	Mississippi								
	Arkansas	67	134	82	118	81	40	44	44
	Oklahoma	4,317	4,726	4,845	5,622	6,300	4,851	4,657	4,843
	Texas	4,549	4,867	5,062	5,315	5,368	3,919	4,233	4,360
	Montana	3,737	4,109	4,957	4,678	4,776	3,828	4,142	4,046
	Idaho	949	1,025	1,232	1,308	1,237	936	1,023	1,037
	Wyoming	272	374	469	412	437	376	369	367
	Colorado	1,666	1,388	1,728	1,786	1,774	1,625	1,524	1,504
	New Mexico	371	325	387	434	438	368	368	367
	Arizona	57	44	48	45	50	35	40	38
	Utah	243	248	281	287	298	263	265	265
	Nevada	12	13	17	19	22	16	19	18
	Washington	2,047	2,057	2,532	2,676	2,247	1,943	2,002	2,017
	Oregon	991	1,016	1,145	1,151	1,092	799	864	829
	California	799	798	923	895	850	715	833	875
	United States	63,562	69,207	73,724	81,072	79,565	63,516	62,367	63,503

¹ Preliminary.

Source: U. S. Department of Agriculture, Agricultural Marketing Service.

TABLE 4—All wheat: Harvested acreage, by States,¹ 1926 to 1940

State	1926	1927	1928	1929	1930	1931	1932	1933
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Maine	4	3	3	2	2	2	4	7
Vermont	2	2	1	1	1	1		
New York	279	301	316	242	224	212	201	233
New Jersey	65	62	55	54	54	52	51	49
Pennsylvania	1,131	1,023	1,002	987	997	930	929	937
Ohio	1,730	1,579	856	1,564	1,661	1,861	1,748	2,089
Indiana	1,764	1,872	961	1,568	1,587	1,729	1,470	1,577
Illinois	2,283	2,458	1,462	2,093	2,025	2,101	1,669	1,874
Michigan	808	801	785	790	724	734	734	885
Wisconsin	122	134	97	96	99	88	110	104
Minnesota	1,872	1,786	1,544	1,421	1,387	1,224	1,462	1,629
Iowa	387	452	453	426	435	357	273	251
Missouri	1,408	1,562	1,521	1,534	1,336	1,596	1,404	1,362
North Dakota	9,083	10,336	10,832	10,440	9,896	6,295	10,639	10,098
South Dakota	2,306	3,196	3,648	3,583	3,682	2,941	3,854	1,150
Nebraska	3,146	3,733	3,757	3,700	3,974	3,420	2,277	2,437
Kansas	10,409	10,202	10,639	12,550	13,132	13,623	10,365	7,391
Delaware	106	101	105	106	105	91	83	83
Maryland	490	490	496	506	486	418	383	413
Virginia	626	620	608	657	591	609	585	567
West Virginia	125	112	101	104	121	131	122	131
North Carolina	373	380	361	353	265	358	422	444
South Carolina	46	72	64	82	38	65	127	123
Georgia	81	90	59	48	28	61	132	132
Kentucky	232	267	134	204	212	286	317	339
Tennessee	356	392	310	280	213	280	339	363
Alabama	3	4	2	2	2	4	7	5
Mississippi	2	3	1					
Arkansas	25	23	16	17	18	54	48	62
Oklahoma	4,332	3,812	4,613	4,576	3,935	4,407	3,966	3,063
Texas	2,117	2,180	2,363	3,042	3,457	4,386	3,509	2,105
Montana	2,580	4,020	4,395	4,419	4,217	2,182	4,021	3,512
Idaho	1,110	1,265	1,310	1,307	1,221	964	1,139	990
Wyoming	235	286	342	341	326	277	255	219
Colorado	1,685	1,958	1,481	1,539	1,659	1,420	704	583
New Mexico	242	60	239	348	264	476	267	246
Arizona	28	31	22	18	17	24	36	43
Utah	227	231	254	265	289	280	265	247
Nevada	17	18	16	14	13	14	18	14
Washington	1,988	2,137	2,223	2,375	2,338	2,315	2,308	2,163
Oregon	1,064	1,102	1,019	1,075	1,027	945	991	903
California	653	770	730	633	556	518	595	696
United States	56,610	59,628	59,226	63,332	62,614	57,681	57,839	49,438

¹ Data reported for some New England and Southern States which show a little wheat in 1939 Census.

TABLE 4.—All wheat: Harvested acreage, by States,¹ 1926 to 1940—Con.

St.	State	1924	1925	1926	1927	1928	1929	1940 ¹
		1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres
		7	10	7	4	4	4	4
Maine								
Vermont								
New York		263	283	282	346	303	273	309
New Jersey		51	58	61	65	61	52	56
Pennsylvania		946	1,004	1,033	1,073	1,050	926	917
Ohio		1,994	2,132	2,127	2,432	2,381	1,906	1,960
Indiana		1,845	1,906	1,775	2,171	1,803	1,534	1,546
Illinois		2,080	2,074	2,052	2,617	2,259	1,980	1,782
Michigan		855	874	823	1,011	913	739	761
Wisconsin		104	139	106	131	120	90	86
Minnesota		1,322	1,874	1,736	2,160	2,616	1,595	1,622
Iowa		298	401	407	817	583	392	341
Missouri		1,643	2,054	2,095	3,198	2,432	1,845	1,714
North Dakota		3,430	7,823	3,689	7,018	8,512	7,653	8,293
South Dakota		158	3,153	840	2,738	3,108	2,193	2,707
Nebraska		2,251	3,070	3,338	3,601	4,691	3,199	2,646
Kansas		8,610	6,888	10,464	13,172	14,497	9,713	8,857
Delaware		80	84	86	86	83	72	74
Maryland		408	428	449	476	471	377	388
Virginia		605	629	629	648	609	530	546
West Virginia		145	149	164	171	156	145	139
North Carolina		496	520	530	453	473	425	438
South Carolina		156	175	184	149	161	210	215
Georgia		169	195	195	170	170	177	179
Kentucky		403	443	421	552	580	354	375
Tennessee		418	468	454	540	491	358	379
Alabama		9	7	6	7	5	8	6
Mississippi								
Arkansas		60	114	70	100	70	41	37
Oklahoma		3,543	3,308	3,440	4,610	5,607	4,317	3,885
Texas		3,094	1,639	2,458	3,933	3,894	2,765	2,850
Montana		2,481	3,434	2,239	2,624	4,288	3,440	3,932
Idaho		885	978	1,112	1,153	1,159	870	957
Wyoming		106	246	154	296	354	276	300
Colorado		704	553	853	1,136	1,315	1,140	1,096
New Mexico		129	187	146	299	263	284	211
Arizona		54	44	48	45	30	35	39
Utah		202	230	261	279	293	226	251
Nevada		12	13	17	19	22	16	19
Washington		1,934	1,908	2,164	2,317	2,265	1,901	1,978
Oregon		835	878	1,000	993	1,068	756	850
California		615	766	858	832	749	658	758
United States		43,400	51,229	48,893	64,422	69,869	53,482	53,503

¹ Preliminary.

Source: U. S. Department of Agriculture, Agricultural Marketing Service.

62 TABLE 5.—All wheat: Yield per seeded acre, by States,¹ 1926 to 1941

State	1926	1927	1928	1929	1930	1931	1932	1933
	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>
Maine	22.6	18.0	19.0	23.0	21.0	22.0	22.0	24.0
Vermont	20.0	20.0	16.0	18.0	20.0	21.0		
New York	14.9	20.7	14.7	15.7	16.6	23.0	20.0	18.7
New Jersey	20.4	21.7	19.0	20.1	21.6	24.5	20.6	21.6
Pennsylvania	19.1	17.1	13.2	17.5	21.6	21.1	14.8	17.5
Ohio	21.8	17.5	4.3	18.8	14.9	28.6	19.8	17.7
Indiana	19.9	15.0	4.2	15.9	16.8	25.7	16.0	14.2
Illinois	18.1	13.2	6.6	13.6	16.7	23.2	15.1	15.9
Michigan	17.2	22.1	14.9	17.2	22.2	25.5	23.6	15.9
Wisconsin	17.5	19.8	15.9	19.2	20.4	17.0	18.8	15.0
Minnesota	12.5	11.7	12.8	14.9	17.0	14.7	14.2	9.7
Iowa	20.5	17.7	15.0	18.3	20.2	19.9	14.5	15.9
Missouri	15.1	8.9	8.9	9.5	13.5	19.8	10.4	12.0
North Dakota	8.2	12.9	14.1	9.3	10.7	4.0	10.1	6.3
South Dakota	4.8	14.6	9.9	9.3	11.1	5.0	13.2	1.1
Nebraska	13.6	18.6	16.2	13.7	18.4	15.6	8.4	8.8
Kansas	13.2	9.0	13.6	11.8	13.6	18.1	9.3	5.1
Delaware	19.6	19.8	17.8	18.8	19.3	20.4	11.7	13.4
Maryland	21.7	17.3	16.5	17.7	21.7	21.6	12.8	15.8
Virginia	16.3	12.7	13.6	12.9	15.3	21.6	10.6	13.2
West Virginia	15.9	12.8	11.5	12.8	17.4	18.6	11.4	14.3
North Carolina	11.3	9.2	9.8	10.1	10.3	12.8	9.4	9.3
South Carolina	13.7	7.9	9.3	9.5	9.5	11.7	9.2	7.7
Georgia	10.6	6.9	6.8	8.0	9.3	11.0	8.7	7.5
Kentucky	18.5	9.7	3.3	12.1	13.5	21.3	9.2	11.2
Tennessee	16.7	6.6	6.7	8.5	10.6	16.7	9.2	9.8
Alabama	11.5	10.5	11.0	10.0	10.0	12.5	10.6	8.0
Mississippi	12.2	11.8	6.5					
Arkansas	10.1	7.5	6.6	8.8	9.0	10.6	6.6	6.1
Oklahoma	16.7	7.4	13.0	10.5	8.2	16.2	10.8	7.1
Texas	17.7	7.4	8.3	13.8	9.7	14.8	8.3	3.3
Montana	11.8	19.9	17.3	8.7	7.6	3.5	12.4	6.6
Idaho	20.5	23.7	23.3	21.9	23.8	18.1	23.6	15.3
Wyoming	14.4	14.7	13.7	11.9	10.3	5.2	7.4	5.5
Colorado	10.0	9.8	9.3	9.4	11.4	10.2	4.4	4.8
New Mexico	17.6	2.3	6.5	11.7	4.9	19.0	4.2	3.5
Arizona	17.9	18.0	20.5	23.0	24.5	23.0	20.4	21.0
Utah	22.4	21.8	23.1	19.6	24.2	15.9	19.7	15.6
Nevada	22.9	24.0	26.8	25.9	25.4	22.8	25.8	24.0
Washington	18.8	23.8	20.6	17.6	14.0	17.6	18.0	14.4
Oregon	17.6	24.8	22.2	19.5	22.1	17.9	19.6	11.5
California	16.7	16.0	18.7	13.9	15.8	10.9	16.6	16.5
United States	13.7	13.3	12.9	12.3	13.2	14.3	11.5	8.1

¹No data reported for some New England and Southern States which show a little wheat in 1939 Census.

TABLE 5.—All wheat: Yield per seeded acre, by States,¹ 1926 to 1941—Con.

53	State	1934	1935	1936	1937	1938	1939	1940 ²	1941 ²
		<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>	<i>Bushels</i>
	Maine	21.5	17.0	17.0	19.0	17.0	21.0	22.0	20.0
	Vermont								
	New York	16.5	21.7	19.8	23.2	24.2	23.0	25.1	20.7
	New Jersey	20.7	22.6	18.6	19.2	18.6	16.7	18.3	16.4
	Pennsylvania	15.7	20.6	18.6	21.5	20.4	20.4	19.9	19.4
	Ohio	17.8	21.8	17.4	18.1	19.2	18.2	21.3	24.6
	Indiana	16.9	15.2	16.4	15.0	15.0	17.0	19.1	23.3
	Illinois	16.7	14.1	16.1	16.1	17.9	20.0	22.3	20.1
	Michigan	13.5	21.5	19.8	17.8	21.1	20.6	23.2	21.7
	Wisconsin	11.9	16.2	13.4	15.1	16.3	14.5	19.8	17.2
	Minnesota	8.6	9.4	9.0	16.2	14.8	13.7	19.7	14.6
	Iowa	9.7	14.8	19.3	16.5	14.7	15.3	22.6	8.3
	Missouri	14.8	12.0	13.9	12.1	12.2	15.5	17.6	9.6
	North Dakota	2.3	5.1	1.8	5.7	7.5	9.7	11.0	15.2
	South Dakota	2	7.0	1.0	4.2	7.2	6.5	8.4	12.1
	Nebraska	5.2	10.5	11.8	9.4	11.1	9.1	10.9	10.1
	Kansas	6.6	4.8	8.4	9.2	9.0	8.0	9.9	13.1
	Delaware	17.4	18.6	15.9	15.6	19.3	17.3	18.5	19.5
	Maryland	18.3	20.0	19.5	18.7	19	18.6	18.7	19.8
	Virginia	12.8	12.7	12.0	14.8	13.4	13.8	15.0	13.8
	West Virginia	12.4	15.9	12.7	15.0	14.0	13.4	13.1	13.2
	North Carolina	9.6	11.2	9.3	11.1	11.1	11.5	13.2	13.2
	South Carolina	8.6	9.9	7.7	8.7	10.7	11.2	12.1	12.6
	Georgia	8.2	7.8	7.2	7.6	9.1	9.0	9.4	10.1
	Kentucky	11.9	9.5	12.6	16.8	13.5	8.8	12.8	15.9
	Tennessee	9.8	9.1	10.2	12.0	10.4	10.6	12.8	13.0
	Alabama	7.2	10.0	7.7	9.6	10.8	10.0	10.7	13.0
	Mississippi								
	Arkansas	7.2	6.8	7.3	8.9	7.3	8.0	8.0	7.5
	Oklahoma	8.6	7.0	5.7	11.6	9.8	12.5	12.1	10.4
	Texas	5.8	3.4	3.7	7.8	6	7.4	6.9	8.1
	Montana	7.4	8.9	2.8	4.7	14.6	13.4	13.5	18.1
	Idaho	21.0	21.2	18.5	21.7	26.1	22.8	23.8	26.7
	Wyoming	3.9	7.1	3.2	7.4	10.3	7.5	9.2	14.6
	Colorado	3.7	4.7	6.2	8.5	10.7	8.0	8.9	14.7
	New Mexico	2.2	4.5	2.6	7.2	6.2	10.3	4.7	5.2
	Arizona	20.4	22.5	23.0	22.0	22.0	23.0	20.5	12.2
	Utah	14.5	21.1	16.5	19.0	22.5	15.2	18.3	23.5
	Nevada	25.5	25.8	21.2	25.5	25.7	25.8	25.4	26.6
	Washington	18.2	21.9	18.4	19.0	24.3	22.6	20.9	29.4
	Oregon	12.7	15.3	17.8	17.7	21.5	20.2	19.9	27.1
	California	12.3	18.2	18.1	20.0	15.0	17.0	13.6	13.0
	United States	8.3	9.1	8.5	10.8	11.7	11.8	13.1	15.0

¹ Preliminary.

Source: U. S. Department of Agriculture, Agricultural Marketing Service.

64 TABLE 6.—All wheat: Production, by States,¹ 1926 to 1941

State	1926	1927	1928	1929	1930	1931	1932	1933
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Maine	88	54	57	46	42	44	88	168
Vermont	40	40	16	18	20	21		
New York	4,486	6,297	4,923	3,872	4,022	5,330	4,086	4,512
New Jersey	1,365	1,364	1,100	1,107	1,188	1,300	1,071	1,078
Pennsylvania	22,048	17,886	14,524	17,473	21,923	20,417	13,929	16,833
Ohio	38,937	28,422	9,984	30,503	29,065	53,825	34,911	37,586
Indiana	36,147	29,020	10,129	25,916	28,584	44,802	24,231	23,641
Illinois	43,047	34,001	23,264	30,831	30,891	48,945	25,983	30,746
Michigan	16,508	17,201	12,959	13,760	16,575	18,965	17,484	14,528
Wisconsin	2,259	2,696	1,800	1,896	2,093	1,532	2,109	1,616
Minnesota	23,589	20,976	21,634	21,224	23,776	18,011	20,839	16,665
Iowa	8,222	8,180	8,709	8,000	8,919	7,321	4,350	4,303
Missouri	22,528	15,628	19,745	15,250	19,342	31,913	16,143	17,019
North Dakota	77,733	133,537	155,482	99,950	107,328	41,942	110,306	71,314
South Dakota	13,894	47,589	37,895	34,799	42,871	17,619	51,839	4,994
Nebraska	41,290	72,188	67,446	55,403	74,848	56,943	27,958	29,208
Kansas	153,991	114,216	173,185	155,563	186,277	251,885	120,178	66,931
Delaware	2,120	2,020	1,890	2,014	2,048	1,956	906	1,162
Maryland	10,780	8,575	8,432	9,108	10,692	9,614	5,306	6,608
Virginia	10,230	8,060	8,816	8,607	9,160	13,398	6,318	7,654
West Virginia	2,000	1,456	1,364	1,362	2,118	2,489	1,403	1,900
North Carolina	4,290	3,610	3,790	3,636	2,862	4,654	4,009	4,208
South Carolina	644	612	567	520	380	845	1,206	984
Georgia	891	675	472	408	520	702	1,188	1,056
Kentucky	4,408	2,670	1,273	2,530	2,968	6,292	3,328	4,068
Tennessee	6,052	2,744	2,883	2,492	2,343	4,930	3,220	3,703
Alabama	34	42	22	20	20	50	70	40
Mississippi	24	35	13					
Arkansas	262	218	152	158	180	648	384	536
Oklahoma	73,644	35,070	64,382	51,251	37,382	74,919	47,592	31,519
Texas	38,529	21,146	25,844	45,022	38,373	67,983	29,826	14,946
Montana	44,773	81,713	79,146	41,290	35,313	14,478	55,571	28,810
Idaho	23,415	30,537	31,333	29,125	29,802	17,900	27,980	16,420
Wyoming	3,522	4,530	5,063	4,394	3,808	2,032	2,862	2,046
Colorado	20,860	22,289	20,797	17,934	23,058	17,040	7,447	6,350
New Mexico	4,372	610	2,432	4,942	2,262	9,400	1,934	1,496
Arizona	518	558	451	414	416	552	756	924
Utah	5,152	5,156	5,950	5,304	7,178	4,613	5,417	4,015
Nevada	390	432	428	362	330	319	465	336
Washington	38,035	52,660	47,674	44,199	37,548	41,609	42,868	43,638
Oregon	19,222	27,541	23,182	21,530	23,621	17,662	20,060	17,608
California	11,754	12,705	14,965	11,014	10,564	7,563	11,126	12,870
United States	832,213	875,059	914,373	823,217	886,470	941,674	756,927	551,083

¹ No data reported for some New England and Southern States which show a little wheat in 1939 Census.

TABLE 6.—All-wheat: Production, by States, 1926 to 1941—Continued

65	State	1934	1935	1936	1937	1938	1939	1940	1941
		1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
		150	170	119	76	68	84	88	80
	Maine								
	Vermont	4,714	6,437	5,743	8,276	7,533	6,382	7,996	6,590
	New York	1,096	1,334	1,281	1,462	1,342	1,170	1,316	1,232
	New Jersey	15,499	21,045	19,615	23,573	22,032	19,421	18,789	18,330
	Pennsylvania	36,467	46,892	40,278	46,136	46,420	37,150	42,137	49,722
	Ohio	31,891	29,534	31,042	34,718	28,848	27,612	30,147	37,344
	Indiana	36,522	30,060	36,435	45,068	41,792	41,472	40,155	37,843
	Illinois	12,126	19,168	16,702	18,658	19,519	15,784	17,812	16,358
	Michigan	1,475	2,254	1,469	2,043	2,007	1,350	1,743	1,534
	Wisconsin	14,165	19,676	17,137	35,784	38,948	22,108	32,069	23,255
	Minnesota	3,632	6,318	8,407	14,649	9,284	6,902	8,121	3,235
	Iowa	24,776	25,648	31,407	42,515	31,000	30,429	31,707	17,589
	Missouri	20,908	54,714	19,235	57,005	76,384	79,068	97,054	133,696
	North Dakota	732	25,481	4,286	15,381	28,377	18,990	26,221	37,052
	South Dakota	17,543	38,675	47,339	47,184	55,714	36,376	34,821	35,330
	Nebraska	84,323	64,055	120,270	158,052	152,184	111,657	123,848	170,849
	Kansas	1,448	1,596	1,419	1,376	1,660	1,296	1,406	1,480
	Delaware	7,630	8,774	8,980	9,044	9,420	7,352	7,506	7,980
	Maryland	7,926	8,177	7,862	9,720	8,526	7,685	8,463	7,950
	Virginia	1,856	2,384	2,214	2,736	2,340	2,102	2,016	2,030
	West Virginia	4,910	5,876	5,194	5,817	5,440	5,100	6,132	6,594
	North Carolina	1,404	1,730	1,472	1,416	1,771	2,415	2,688	2,900
	South Carolina	1,436	1,560	1,560	1,445	1,700	1,770	1,880	2,024
	Georgia	5,239	4,430	5,894	10,212	8,700	4,071	5,625	7,215
	Kentucky	4,264	4,446	4,858	6,750	5,401	4,117	5,116	5,438
	Tennessee	72	70	54	77	65	60	75	91
	Alabama								
	Mississippi								
	Arkansas	480	912	595	1,050	595	390	352	332
	Oklahoma	37,202	33,080	27,520	65,462	61,677	60,438	56,332	50,353
	Texas	26,290	11,473	18,927	41,690	35,046	29,032	29,355	35,420
	Montana	27,624	36,365	13,656	21,918	69,522	51,473	56,070	73,184
	Idaho	19,921	21,733	22,764	28,390	32,332	21,311	24,383	27,724
	Wyoming	1,050	2,647	1,511	3,060	4,515	2,812	3,410	5,363
	Colorado	6,192	6,532	10,691	15,155	19,098	12,965	13,590	22,180
	New Mexico	833	1,463	1,023	3,139	2,718	3,782	1,720	2,273
	Arizona	1,161	990	1,104	990	1,100	805	819	465
	Utah	3,513	5,222	4,639	5,459	6,713	3,989	4,861	6,227
	Nevada	306	339	361	484	522	412	483	478
	Washington	37,158	45,050	46,632	50,824	54,590	43,822	41,808	50,360
	Oregon	12,840	15,303	20,340	20,424	23,496	16,108	17,184	22,438
	California	9,840	14,554	16,731	17,888	12,733	12,173	11,370	11,415
	United States	526,393	626,344	626,766	875,676	931,702	751,435	816,098	950,953

* Preliminary.

Source: U. S. Department of Agriculture, Agricultural Marketing Service.

46 CLAUDE R. WICKARD, ET AL., VS. ROSCOE C. FILBURN

66 TABLE 7.—All wheat: Farm value of production, by States, 1926 to 1940

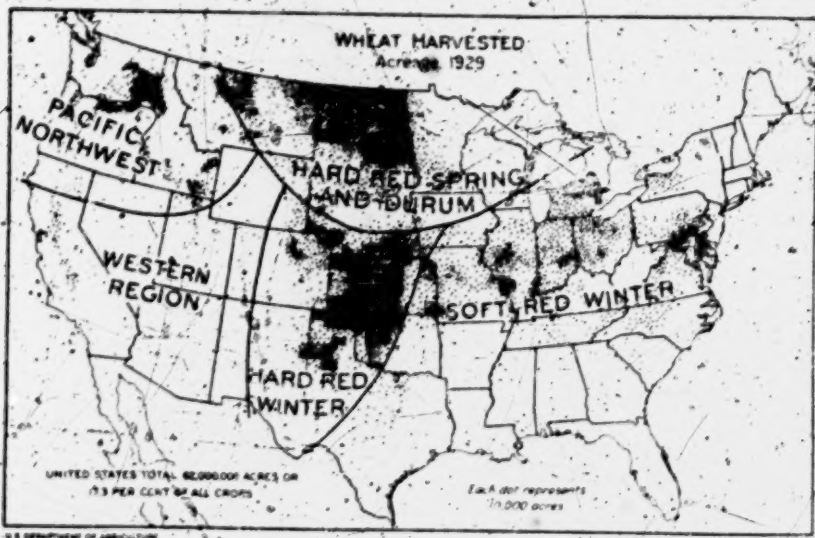
State	1926	1927	1928	1929	1930	1931	1932	1933
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	163	89	94	74	55	34	60	215
Vermont	69	62	25	24	22	15		
New York	5,966	8,312	6,548	4,768	3,348	3,002	2,375	3,974
New Jersey	1,829	1,828	1,408	1,384	1,022	793	632	1,003
Pennsylvania	28,442	23,967	19,026	20,622	18,646	11,458	7,944	14,646
Ohio	49,061	37,233	13,079	34,773	22,686	24,221	16,409	33,074
Indiana	44,822	37,146	12,894	28,507	21,145	17,914	10,419	20,481
Illinois	53,809	44,318	27,684	34,509	27,698	19,641	10,932	26,124
Michigan	20,084	21,845	16,328	15,419	12,434	8,737	7,877	11,622
Wisconsin	2,860	3,262	1,962	2,114	1,568	8,873	1,110	1,316
Minnesota	30,666	25,381	20,885	23,038	15,662	9,195	9,069	12,765
Iowa	10,113	10,143	8,883	8,552	6,340	2,943	1,653	3,356
Missouri	28,160	20,160	24,681	17,978	14,493	12,767	6,618	13,957
North Dakota	98,721	149,561	135,269	100,345	64,249	18,865	40,044	50,176
South Dakota	17,229	54,251	33,727	34,775	24,051	7,674	17,571	26,759
Nebraska	48,722	83,738	63,399	54,821	43,985	19,300	10,005	20,806
Kansas	184,789	141,628	171,453	153,997	117,349	83,121	36,658	47,520
Delaware	2,892	2,727	2,400	2,346	1,577	978	658	1,046
Maryland	13,906	11,319	10,624	10,474	8,554	4,807	2,812	6,033
Virginia	13,810	11,365	11,990	10,501	8,519	7,503	3,664	7,118
West Virginia	2,790	2,067	1,809	1,743	2,033	1,518	842	1,091
North Carolina	6,135	5,234	5,909	4,981	3,062	3,304	2,766	4,334
South Carolina	962	900	873	735	452	659	784	1,013
Georgia	1,354	969	796	604	356	790	796	1,119
Kentucky	5,951	3,738	1,922	3,112	2,612	3,063	1,597	3,783
Tennessee	8,412	3,979	4,469	3,215	2,366	3,067	1,932	3,592
Alabama	47	58	36	28	24	32	46	38
Mississippi	34	49	21					
Arkansas	330	279	181	188	166	318	173	280
Oklahoma	85,427	43,838	67,165	49,201	25,430	24,723	15,229	21,453
Texas	44,408	36,644	29,979	42,321	28,012	24,471	9,843	11,000
Montana	54,175	96,616	64,906	40,425	20,226	7,254	19,472	16,742
Idaho	25,054	32,369	28,826	28,826	18,018	5,086	8,538	8,976
Wyoming	7,769	4,621	4,354	4,148	2,075	882	898	1,269
Colorado	22,561	24,306	17,677	17,396	14,156	5,550	2,737	4,112
New Mexico	4,897	750	2,724	4,903	1,770	3,167	686	1,084
Arizona	710	731	609	546	483	408	416	739
Utah	5,616	5,981	5,950	5,357	4,797	2,403	2,211	2,643
Nevada	406	544	514	471	323	242	279	261
Washington	43,262	61,086	49,104	49,990	27,863	15,473	16,270	26,105
Oregon	23,259	32,223	24,109	23,743	17,480	6,125	8,325	11,345
California	15,280	16,135	18,407	12,886	9,825	4,387	5,897	10,043
United States	1,972,831	1,041,512	912,496	852,928	594,892	367,636	289,156	410,261

TABLE 7.—All wheat: Farm value of production, by States, 1926 to 1940—Con.

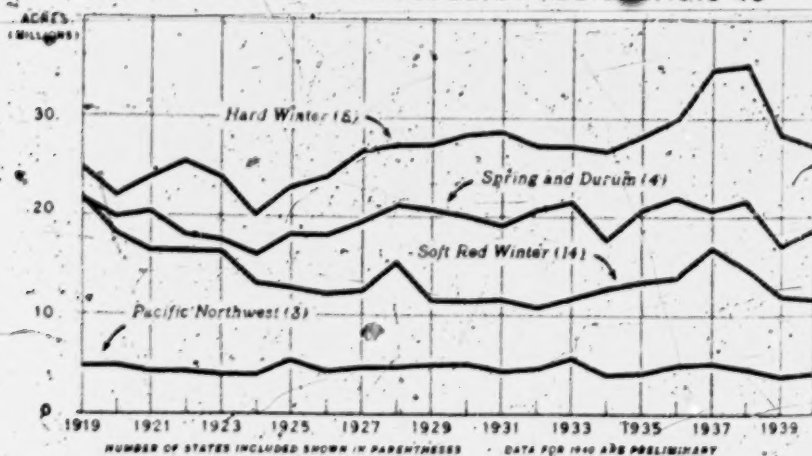
State	1924	1925	1926	1927	1928	1929	1940
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	219	228	178	108	80	103	109
Vermont	4,530	5,300	6,202	8,193	4,896	5,233	6,237
New York	1,063	1,121	1,396	1,535	953	971	1,105
Pennsylvania	14,264	17,678	21,380	22,866	14,321	15,925	15,219
Ohio	32,455	37,515	42,292	46,597	28,780	27,120	31,903
Indiana	27,426	23,626	31,663	35,065	17,020	18,776	21,706
Illinois	31,054	25,258	37,164	47,038	25,493	29,030	28,108
Michigan	10,673	15,099	17,871	17,725	11,516	11,966	13,537
Wisconsin	1,429	2,114	1,763	2,023	1,325	1,080	1,307
Minnesota	14,044	19,316	20,907	37,573	23,369	16,139	22,448
Iowa	3,196	5,370	8,827	14,942	5,385	4,555	5,441
Missouri	26,815	21,546	32,977	40,389	18,012	20,083	21,561
North Dakota	20,404	43,411	22,505	54,155	40,484	55,348	65,026
South Dakota	10,675	23,154	4,972	14,766	15,224	13,293	17,306
Nebraska	14,710	32,721	49,706	46,240	30,086	24,372	22,634
Kansas	70,827	57,008	120,270	139,633	86,745	73,694	78,024
Delaware	1,318	1,325	1,504	1,376	1,046	1,011	1,111
Maryland	6,867	6,756	9,519	9,225	5,935	5,735	5,826
Virginia	7,609	7,196	8,963	10,303	6,139	6,763	7,278
West Virginia	1,782	2,146	2,413	2,873	1,732	1,829	1,774
North Carolina	5,205	5,876	6,025	6,748	4,461	4,641	5,703
South Carolina	1,572	1,115	1,487	1,657	1,435	2,053	2,365
Georgia	1,698	1,591	1,622	1,748	1,428	1,594	1,711
Kentucky	4,963	3,810	6,071	10,825	8,568	3,013	4,388
Tennessee	4,179	4,179	5,635	7,222	3,997	3,499	4,349
Alabama	77	67	58	62	55	52	70
Mississippi	461	769	697	1,099	381	265	253
Arkansas	30,134	28,449	27,245	62,844	34,539	39,285	34,363
Oklahoma	20,513	9,637	18,927	40,022	19,976	22,064	18,787
Texas	25,705	33,499	16,660	21,480	32,673	31,913	33,081
Montana	13,758	15,118	20,260	20,136	14,549	12,787	13,411
Idaho	915	2,343	1,677	2,785	2,167	1,772	2,012
Wyoming	5,218	5,885	10,691	13,791	9,343	8,298	8,000
Colorado	760	1,209	1,003	3,202	1,576	2,723	1,084
New Mexico	952	812	983	990	814	620	663
Arizona	2,928	4,104	4,778	4,313	3,222	2,633	2,898
Utah	290	292	357	965	334	301	377
Nevada	27,043	31,535	42,435	38,118	26,749	28,484	24,667
Washington	9,292	11,162	18,306	15,726	12,453	11,437	10,826
Oregon	7,774	11,352	15,560	16,994	8,276	9,251	8,755
California							
United States	446,367	521,315	642,859	842,843	522,639	519,651	545,993

Preliminary.

Source: U. S. Department of Agriculture, Agricultural Marketing Service.



WHEAT: U. S. ACREAGE SEEDED, BY REGION, 1919-40



All wheat areas shared in the acreage decline in 1939. The acreages of hard winter and soft winter wheat declined still further in 1940, at a time when a small increase took place in the Pacific Northwest and a moderate increase in the spring wheat region. Compared with the 5-year period 1929-33, when acreage was fairly stable, the preliminary estimate of the acreage seeded for harvest in 1940 is one percent above for the soft red winter

wheat region, 2 percent below for the hard winter wheat region, 9 percent below for the spring wheat region, and 16 percent below for Pacific Northwest. For the country as a whole, the estimated acreage is 4 percent below the 5-year average.

TABLE 8.—Wheat : Acreage seeded, by regions, United States, average 1929-32, annual 1919-40

Year	Hard winter wheat region ¹	Spring wheat region ²	Soft red winter wheat region ³	Pacific Northwest region ⁴
	1,000 acres	1,000 acres	1,000 acres	1,000 acres
Average 1929-33	27,629	20,386	11,348	4,904
1919	24,727	21,706	21,726	4,774
1920	22,066	19,905	36,192	4,817
1921	23,830	20,426	16,429	4,288
1922	25,478	18,065	16,448	4,268
1923	23,830	17,523	16,392	3,974
1924	20,177	16,006	13,223	3,958
1925	22,893	18,295	12,758	5,436
1926	23,935	18,056	12,229	4,250
1927	20,537	19,487	12,498	4,612
1928	27,204	21,130	15,769	4,999
1929	27,228	20,650	11,421	4,940
1930	28,321	19,955	11,350	5,010
1931	28,429	19,072	11,526	4,347
1932	27,162	20,777	10,790	4,595
1933	27,064	21,476	11,652	5,628
1934	29,604	17,626	12,618	3,987
1935	28,124	20,648	13,380	4,096
1936	29,909	21,894	13,799	4,906
1937	34,861	20,603	16,806	5,132
1938	33,428	21,576	14,620	4,576
1939	28,306	17,034	11,965	3,741
1940	27,168	18,500	11,616	4,107

¹ Nebr., Kans., Okla., Tex., and Colo.

² Minn., N. Dak., S. Dak., and Mont.

³ N. Y., Pa., Ohio, Ind., Ill., Mich., Mo., Del., Md., Va., W. Va., N. C., Ky., and Tenn.

⁴ Idaho, Wash., and Oreg.

⁵ Preliminary.

II.

INTERSTATE COMMERCE AND INTERNATIONAL TRADE IN WHEAT

Wheat leads all other grains in receipts at leading primary markets, in commercial stocks in store, in exports, and in volume of futures trading. While corn is the most important grain grown in the United States judged by production or farm value, it is fed largely on farms and for this reason it does not, as grain, have the importance of wheat in grain markets and interstate commerce.

From the time wheat leaves the producer it usually cannot be traced as an individual shipment into the principal market channels. Most farmers in the United States market their wheat to local country elevators, although in some areas, a substantial amount of wheat is sold to trucker-buyers. Some wheat is con-

signed to terminals and in some areas small amounts of wheat are sold through local feed stores. Farmers usually retain sufficient wheat for feed for their poultry and livestock and for seed if the quality is satisfactory; and in certain areas the farmers' own wheat is ground for household use. This diversified disposition of the farm production of wheat and the various methods of marketing make it difficult accurately to account for the actual amount, as well as the final disposition, of an individual farmer's wheat production.

There are over 30,000 local elevators, some operated by local independent grain dealers, some by farmers' cooperative associations, and others by large grain firms with headquarters in cities having terminal markets. These country elevators have a small amount of storage capacity and, consequently, must handle the grain as rapidly as possible with shipment to mills or terminal elevators scattered throughout the country near large mills and wheat exporting ports. It has been estimated that considerably over a million grain cars are used for this purpose during each year. The vastness and complexity of wheat transportation is partially indicated by Map 5 which shows freight rates on wheat in effect in November 1936. This map was prepared by the Corps of Engineers, U. S. Army, and gives rates from some of the interior shipping points to primary markets, lake and ocean ports.

After buying the wheat from the farmer, the operator of the country elevator usually sells it as soon as possible to elevators or mills, or consigns it to a commission merchant, who sells the wheat for his account, usually through a Board of Trade. There are large terminal markets in numerous cities as indicated on Map 6, which also shows grain storage capacity in these markets. A similar presentation of the wheat flour milling capacity, by States, is given by Map 7. Table 9 shows, by calendar years from 1932 to 1940, receipts and shipments of wheat and wheat flour at leading United States distribution centers. More than half of the receipts of wheat are at Buffalo, Minneapolis, Duluth-Superior, and Kansas City, and less than half are at the other 18 or 19 leading centers. Map 8 shows the amount and origin of wheat received at upper Great Lakes ports in 1935. Wheat received at these ports was shipped from 20 States and 3 Canadian Provinces. The movement of wheat on the Great Lakes to Buffalo and other points is illustrated by Chart 3 which was also prepared by the Corps of Engineers, U. S. Army. Maps 5 and 8 and Chart 3 are used to indicate parts of the movement of wheat in the United States.

In connection with the abnormally large supply of wheat and other grains for the 1941-42 marketing year, congestion has occurred in a number of markets, necessitating steps which have interrupted the regular flow of grain to those points. For example, at Enid, Oklahoma, on August 4, 1941, 93 percent of the rated capacity of its elevators was occupied, and at Kansas City 92 percent of the space was full. In Indiana and Ohio most of the sub-terminal elevators were so full that they were turning away grain. At Duluth-Superior, serving an area where the harvest movement is later, 91 percent of the rated capacity was full on August 4.

Because of the tight storage situation at a number of markets, partial embargoes have been instituted to prevent further congestion and the tying up of railroad cars vitally needed in the defense effort. The Car Service Division of the Association of American Railroads has placed partial embargoes on the following markets as of August 8, 1941: Kansas City, Missouri and Kansas; Salina, Kansas; Cincinnati, Ohio; St. Louis, Missouri, and East St. Louis, Illinois; Minneapolis and St. Paul, Minnesota; Duluth, Minnesota; Superior and Itasca, Wisconsin; Louisville, Kentucky; and all Puget Sound and Columbia River markets. In addition, certain railroads have placed embargoes on individual elevators at other markets. Under most of the embargoes in force "free" grain which is to be offered for sale can move to market without restriction. Grain for storage is accepted for shipment to the specified markets only on a definite showing that storage space is available and assurance that the railroad cars will be unloaded on arrival.

Approximately 500 million bushels of wheat are ground each year in the United States by about 4,000 mills. The flour reaches the consumer as the product of about 35,000 bakeries, or through about 350,000 retail grocery stores. The markets for flour have become highly specialized, and to meet the demands of the trade, millers manufacture a great many different kinds and types of flour, each variation of quality being made to meet the requirements of a particular branch of the trade and for the manufacture of particular products. Because of the development of such specialized flour requirements, commercial millers must have access to and must purchase wheat of the various classes and physical qualities to enable them to cater to all classes of trade. This results in the blending of wheat of the various classes and of widely scattered origins.

Wheat farmers market the wheat they produce except that needed for seed, feed, and food on the farm, but in some cases wheat is stored on the farm sometime before it is marketed. A

large part of the farm surplus is consumed in the United

74 States by people who are not directly engaged in agriculture, and by farmers who do not produce enough for their

own needs. The greatest concentration of consumer population, coupled with the least wheat production, is in the Atlantic Coast

States. It is in those States that a market is found for the greater part of the wheat produced in the Great Plains and the

Pacific Northwest in excess of local requirements. This fact is, in a sense, recognized in the freight rate structure for wheat, where

east-bound rates are generally lower than west-bound rates. Transit privileges permit almost any combination of routes, with stops

at intermediate points for storage, conditioning, and milling, all at the same through rate as if the shipment moved by direct route,

without interruption, from origin to final destination. Freight regulations also permit that, during any part of the movement,

the shipment may consist of whole grain, and in subsequent movement, of milled products; there is no requirement that the identity

of the grain in the original load be preserved in subsequent movements; and the through rate may still prevail even though

only part of the original shipment, within certain minima, arrives at the final destination.

Under the average conditions of the five years, 1931-32 to 1935-36, 16 States each had a surplus of wheat above its own

requirements for seed, feed, and food. This surplus supplied the other 32 States and the District of Columbia, where production

was below consumption in each case, and provided the wheat for United States export and carryover. Map 9 and Table 10 show

the relationship between production and consumption in

75 each State as well as average mill grindings during the five-year period. In Kansas, for instance, an average of

117,474,000 bushels of wheat was produced, while an average of only 34,667,000 bushels was used in the State during this period.

It is estimated that 13,323,000 bushels were used for seed, 14,375,000 bushels were used for feed, and 6,969,000 bushels were used

for food. Kansas, besides using only 30 percent of the wheat it produced during the five-year period, used as food only a little

more than 10 percent of the 65,422,000 bushels of wheat ground at mills in the State. This extra wheat and flour production in

Kansas helps supply other States in which production is less than consumption. Table 10 also shows the average farm disposition

of the wheat production in each State for the five-year period, 1931-32 to 1935-36.

Of the wheat sold from farms during 1928 to 1930 in the Southwest Hard Winter Wheat Area 11.4 percent was milled for consumption locally; 49 percent milled and shipped elsewhere in the United States; 15 percent shipped as wheat elsewhere in the United States; 19.6 percent exported as wheat; and 5 percent added to the wheat carry-over. Similar figures for the Northwest Spring Wheat Area are 12.5 percent milled for consumption locally; 51 percent milled and shipped elsewhere in the United States; 20 percent shipped as wheat elsewhere in the United States; 11.5 percent exported as wheat; and 5 percent added to the wheat carry-over.

Of the value of the 1940 United States wheat production, amounting to \$545,993,000, the value of that used in the farm household amounted to only \$9,221,000, or less than 2 percent of the total. Value of wheat sold was \$424,770,000, or 78 percent of the total. Table 11 gives these data by States for the ten-year period 1930 to 1939, and also for 1940. Of the 1940 United States wheat production, amounting to 816,698,000 bushels, 11,854,000 bushels were ground at mills for home use or exchanged for flour; 61,063,000 bushels were used for seed on the farm where grown; 100,408,000 bushels were fed to livestock on the farm where produced; and 643,373,000 bushels were sold.

Although farmers sold 643,373,000 bushels of wheat during the marketing year 1940-41, the volume of cash sales at six of the primary markets amounted to only 81,096,000 bushels, a reduction of about 30 percent from the average of 118,958,000 bushels for the ten-year period, 1930-31 to 1939-40. For Minneapolis alone the average during the ten-year period was 43,045,000 bushels and for 1940-41 the volume was 35,428,000 bushels. Table 12 gives the annual volume of cash sales at each of six of the primary markets from 1930-31 to 1940-41.

The volume of trading in wheat futures on contract markets is many times greater than the amount of wheat produced, averaging 9,322,500,000 bushels during the ten marketing years 1930-31 to 1939-1940 and in the year 1940-41, the volume, even though still large, dropped to 4,784,000,000 bushels. There are nine principal contract markets upon which this trading takes place, but the Chicago Board of Trade handles much more than all others combined. Trading on the Chicago Board of Trade alone averaged 7,816,300,000 bushels during this ten-year period, and amounted to 3,736,000,000 bushels in 1940-41. Table 13 gives

the annual volume of futures trading at each of the principal contract markets from 1930-31 to 1940-41.

Oregon, Washington, Galveston, New Orleans, New York, and Chicago are the customs districts which have handled most of the United States exports of wheat. Almost half of the exports of wheat flour have left the country from New York. Table 14 shows exports of wheat and flour from the United States by customs districts.

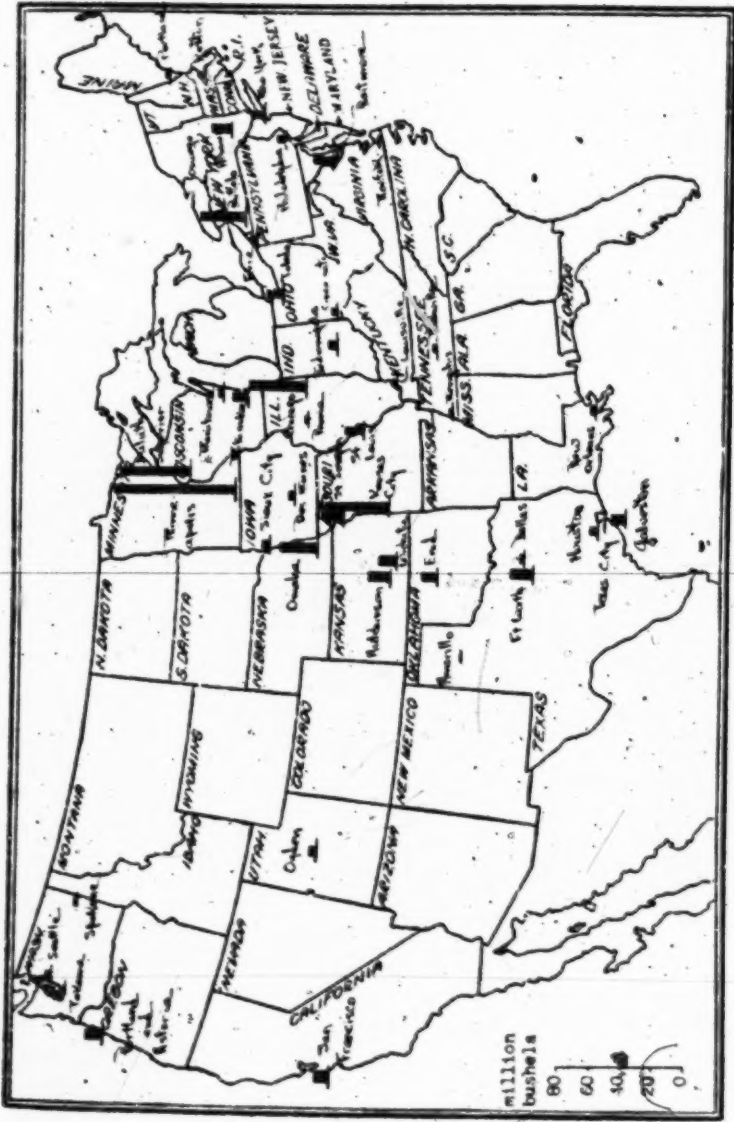
During the period 1930-31 to 1939-40, total exports of wheat and flour from the United States were unusually small, averaging only 68 million bushels. Of these exports 10 million bushels went to the United Kingdom, 25 million bushels to continental Europe, and 12 million bushels to Central and South America. During the 1920's exports averaged 215 million bushels, of which 44 million bushels went to the United Kingdom, 91 million bushels to continental Europe, and 17 million bushels to Central and South America. Table 15 shows total exports of wheat and flour from the United States, by countries of destination, for the marketing years 1910-11 to 1940-41.

Argentina, Australia, Canada, the United States, the Danubian countries, and Russia are the principal wheat exporting countries.

The United Kingdom has been by far the largest importer of wheat, with countries in continental Europe taking the bulk of other imports of wheat. A picture of the international trade in wheat is given by Map 10 and Table 16. Largely as a result of increased production and import restrictions in the importing countries, world trade in wheat has decreased from an average of 756 million bushels during the period 1925-26 to 1929-30 to an average of 545 million bushels during the five marketing years 1934-35 to 1938-39.

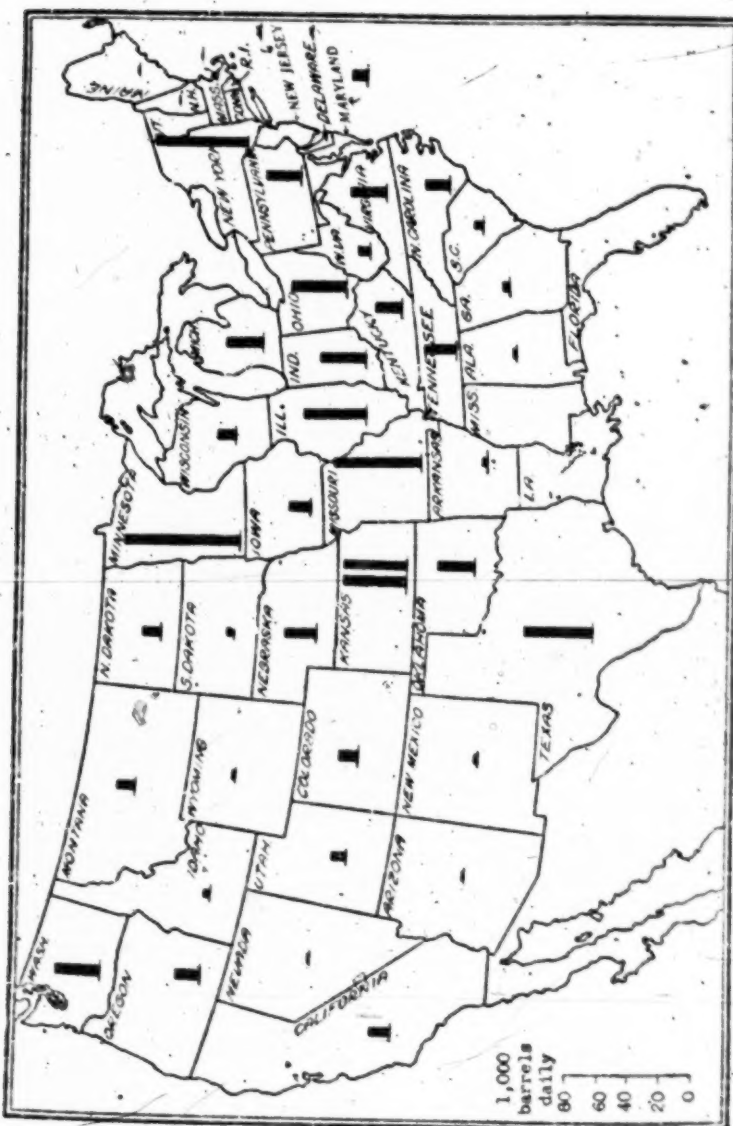


Map 6



Storage Capacity of Elevators Reporting Commercial Grain Stocks, June 1, 1941 (Agricultural Marketing Service)

Map 7



Wheat Flour Milling Capacity (Northwestern Miller Almanack)

TABLE 9

WHEAT MOVEMENT AT CENTERS

Receipts and shipments of wheat at leading United States centers, by calendar years, in bushels

[000's omitted]

RECEIPTS

	1940	1939	1938	1937	1936	1935	1934	1933	1932
Chicago	28,164	26,710	30,069	38,106	23,482	21,701	23,780	13,361	13,808
New York	13,430	21,286	8,042	12,202	25,535	19,934	21,242	23,404	33,311
Minneapolis	113,373	94,901	60,191	52,389	48,828	61,471	42,910	64,076	57,586
Duluth-Superior	55,306	49,074	52,565	30,933	11,892	20,068	23,637	45,902	40,846
Boston	4,241	3,573	230	118	929	1,073	464	1,000	2,410
Toledo	13,453	13,305	12,247	10,169	10,540	12,546	11,275	11,420	12,933
Indianapolis	5,621	5,386	7,079	4,301	4,094	4,828	5,066	4,235	4,385
St. Joseph	2,778	11,286	10,548	13,840	8,362	6,864	5,744	6,974	8,564
Omaha	14,983	21,567	21,958	22,678	20,515	16,480	15,427	14,674	17,594
Kansas City	39,918	80,549	99,621	98,083	63,744	43,701	41,058	49,115	80,204
Baltimore	12,282	12,083	2,354	3,129	2,109	4,067	4,639	2,117	2,298
St. Louis	19,501	26,753	21,153	22,396	14,916	12,007	15,778	15,810	14,257
Philadelphia	10,903	6,321	2,519	1,372	1,395	2,402	2,272	4,492	3,242
Cincinnati	5,278	6,045	4,013	4,195	4,257	4,635	5,419	4,621	4,922
Milwaukee	2,070	4,100	5,197	6,674	3,684	4,379	4,328	2,143	2,875
New Orleans	109	4,038	5,207	1,414	213	650	168	636	978
Fort Worth	8,024	14,105	16,176	15,349	5,198	4,491	8,138	8,505	12,906
Seattle	7,255	8,516	8,536	8,485	0,063	6,482	9,162	8,857	6,793
Tacoma	3,042	10,287	9,016	6,193	7,359	6,308	8,875	7,580	6,230
Portland, Oregon	16,083	28,658	32,547	18,486	13,125	15,162	26,048	23,796	10,104
San Francisco			1,630	1,146	906	1,226	1,204	1,871	1,709
Huachuca	82,027	103,805	69,904	54,050	77,396	87,438	86,599	87,972	98,809
Memphis	284	516	612	279	153	126	228	90	136

SHIPMENTS

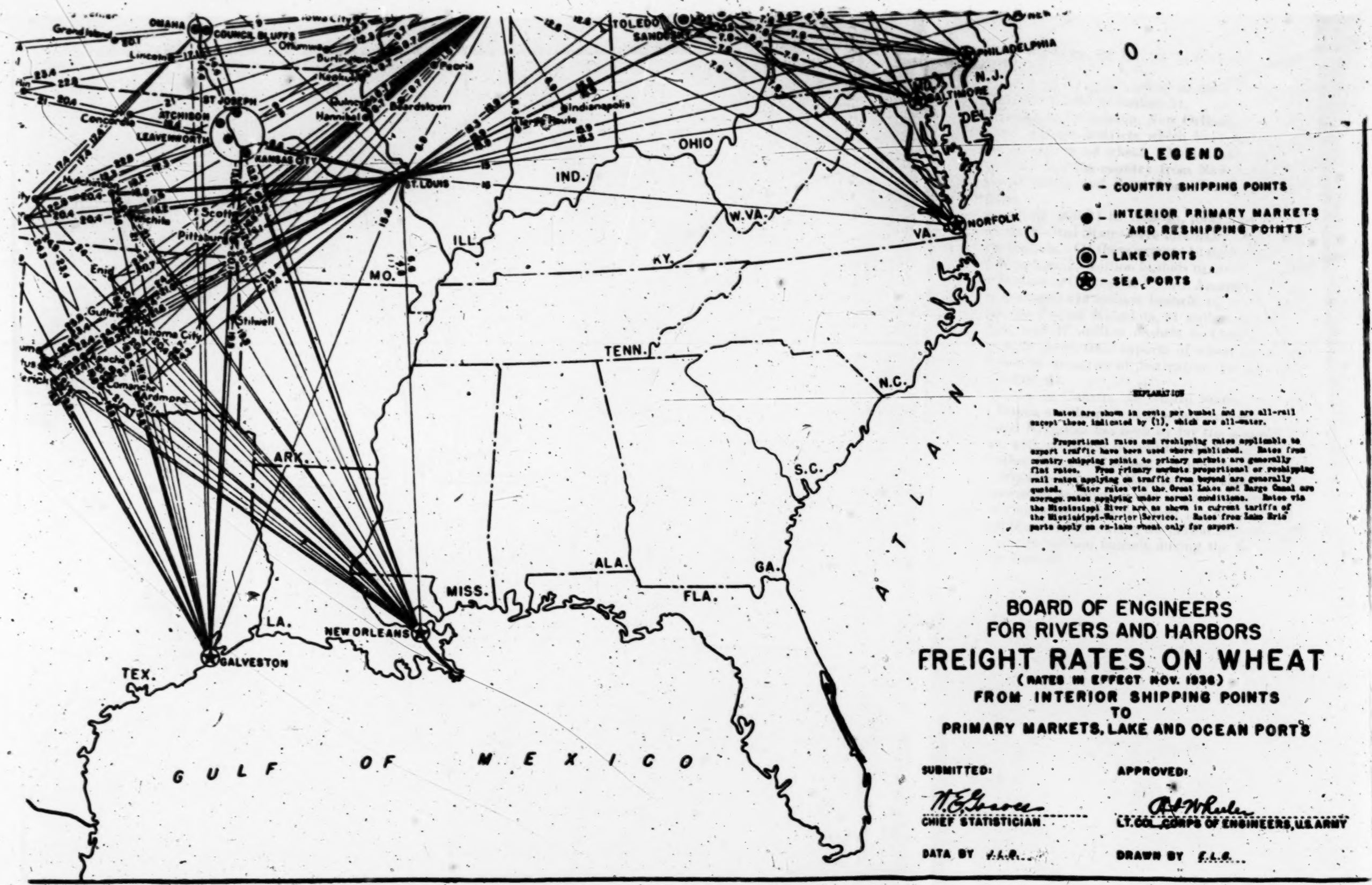
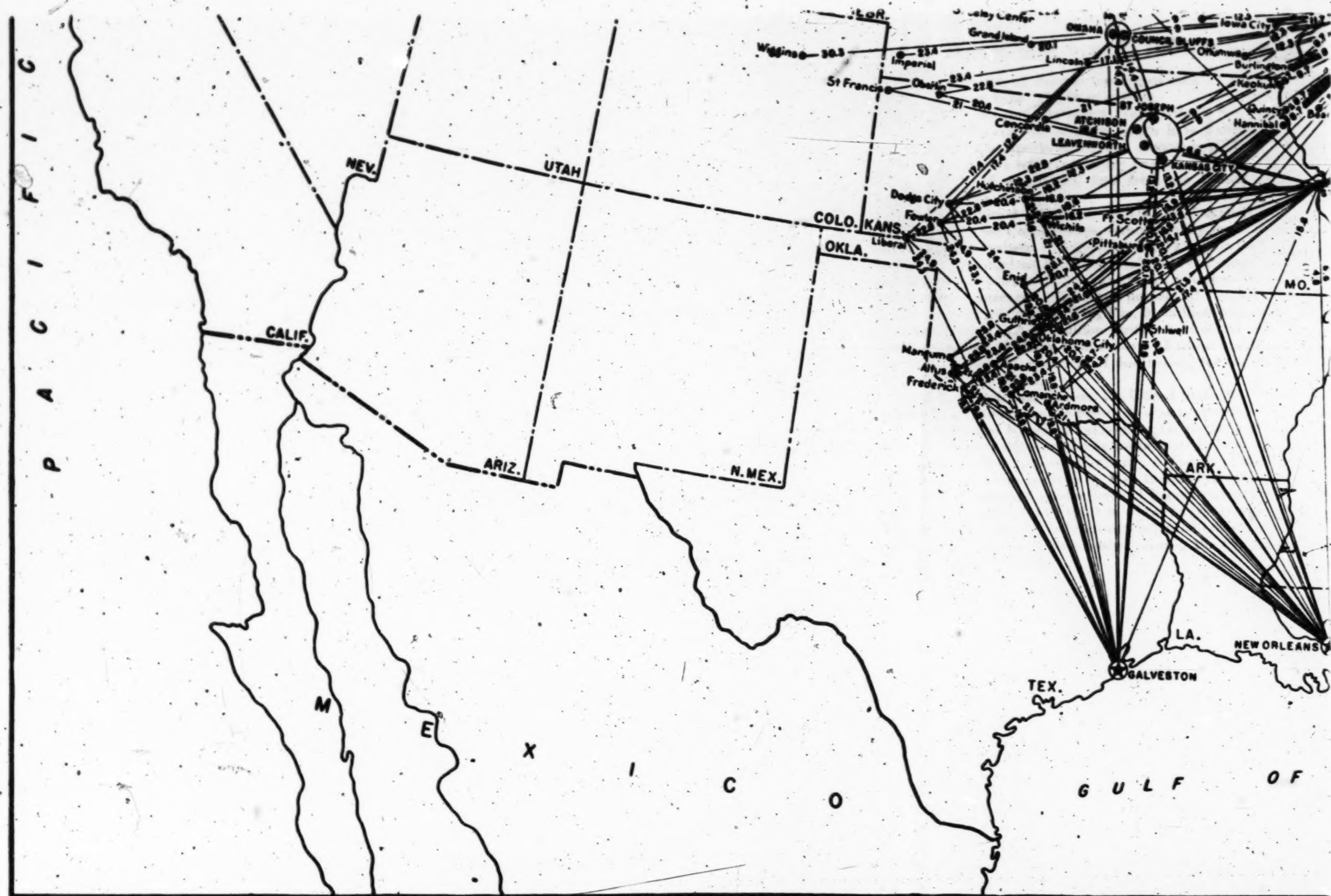
	1940	1939	1938	1937	1936	1935	1934	1933	1932
Chicago	20,087	23,395	25,170	32,089	20,762	14,520	18,011	10,282	17,225
New York	15,766	18,131	10,569	18,557	21,733	18,279	20,908	20,104	30,366
Minneapolis	26,138	26,507	27,763	19,180	22,090	24,269	22,000	26,007	28,299
Duluth-Superior	40,791	42,056	39,280	31,402	25,485	21,265	32,230	44,098	44,009
Boston	4,228	1,652	230	118	929	1,073	464	1,000	2,410
Toledo	4,203	4,203	4,303	3,104	4,080	5,691	5,688	4,440	5,419
Indianapolis	1,730	2,783	2,346	2,073	2,595	2,501	2,431	2,740	3,401
St. Joseph	7,224	7,943	10,262	8,607	6,538	4,716	5,965	6,112	7,187
Omaha	7,026	9,441	14,306	13,650	12,357	9,348	9,292	15,821	13,348
Kansas City	33,975	47,439	51,196	53,121	32,352	26,556	31,344	29,932	38,532
Baltimore	14,521	3,137	597	254	4,067	296	280	255	0,800
Philadelphia	11,276	2,980	938	1,06	4,852	241	1,170	541	4,262
Cincinnati	5,073	4,772	3,484	3,320	3,524	4,572	3,411	4,544	5,038
Milwaukee	1,788	4,272	7,048	8,708	4,690	3,914	3,467	6,374	3,087
New Orleans	224	49	35	39	109	269	116	787	4,550
Portland, Oreg.	8,961	23,942	641	10,863	6,077	3,399	17,764	9,988	8,835
Fort Worth	5,910	9,586	12,738	7,518	1,788	2,014	3,098	4,578	6,918

Includes three receipts.

Includes 0.005 not omitted.

Centals of 100 lbs., 0.005 not omitted.

Lake receipts only.



- LEGEND**
- - COUNTRY SHIPPING POINTS
 - - INTERIOR PRIMARY MARKETS AND RESHIPPING POINTS
 - - LAKE PORTS
 - ⊙ - SEA PORTS

EXPLANATION

Rates are shown in cents per bushel and are all-rail except those indicated by (1), which are all-water.

Proportional rates and reshipping rates applicable to export traffic have been used where published. Rates from country shipping points to primary markets are generally flat rates. From primary markets proportional or reshipping rail rates applying on traffic from beyond are generally quoted. Water rates via the Great Lakes and Barge Canal are average rates applying under normal conditions. Rates via the Mississippi River are as shown in current tariffs of the Mississippi-Harrier Service. Rates from Lake Erie ports apply on ex-lake wheat only for export.

**BOARD OF ENGINEERS
FOR RIVERS AND HARBORS
FREIGHT RATES ON WHEAT**
(RATES IN EFFECT NOV. 1936)
FROM INTERIOR SHIPPING POINTS
TO
PRIMARY MARKETS, LAKE AND OCEAN PORTS

SUBMITTED: *H. E. Brown*
CHIEF STATISTICIAN

APPROVED: *W. H. Wheeler*
LT. COL. CORPS OF ENGINEERS, U.S. ARMY

DATA BY: J. L. R. DRAWN BY: J. L. R.

TABLE 9—Continued

84

FLOUR MOVEMENT AT CENTERS

Receipts and shipments of wheat flour at leading United States centers,
by calendar years, in barrels

[000's omitted]

RECEIPTS

	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931
Chicago	10,866	11,575	10,969	10,326	10,612	9,365	8,956	8,949	8,790	10,466
New York	8,290	8,273	7,782	7,369	7,926	8,222	8,326	8,269	7,127	10,344
Minneapolis	(7)	(7)	663	482	472	316	326	312	345	212
Boston	1,008	1,029	1,030	1,028	1,222	1,176	1,113	1,115	1,253	1,109
Baltimore	656	623	880	663	696	575	614	663	684	689
Philadelphia	1,706	1,684	1,524	1,468	1,555	1,357	1,360	1,363	1,766	1,966
Milwaukee	640	661	900	761	821	734	774	696	955	1,006
New Orleans	(7)	(7)	(7)	(7)	(7)	(7)	703	764	1,048	1,413
Portland, Oregon	1,106	1,226	802	908	974	1,252	635	1,448	1,065	1,286
San Francisco	6			1,968	2,323	3,349	2,958	2,706	2,997	975

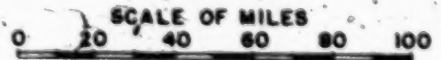
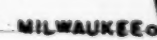
SHIPMENTS

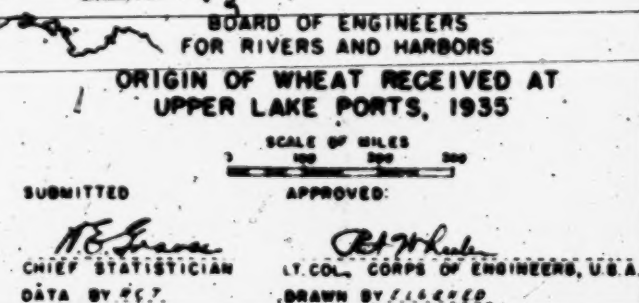
	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931
Chicago	6,926	7,284	7,051	6,589	7,426	8,508	6,033	8,448	5,192	6,785
New York	2,065	2,385	2,398	2,427	2,580	2,383	2,364	2,107	905	3,685
Minneapolis	5,876	6,305	6,270	6,349	7,163	7,018	7,549	7,595	7,685	9,702
Boston	1	5	5	10	4	5	13	37	199	264
Baltimore		46	19	26	16	19	11	22	45	136
Philadelphia	10	1	9	6	2	1	2	1	8	13
Milwaukee	261	100	45	260	12	11	202	97	375	470
New Orleans	(7)	(7)	(7)	(7)	198	150	204	317	518	917
Portland, Oregon	2,462	2,186	2,073	1,907	730	142	1,986	1,943	1,837	2,180
St. Joseph, Mo.	897	869	963	951	1,006	1,163	976	1,065	1,057	1,350

1 Not including coastal receipts.

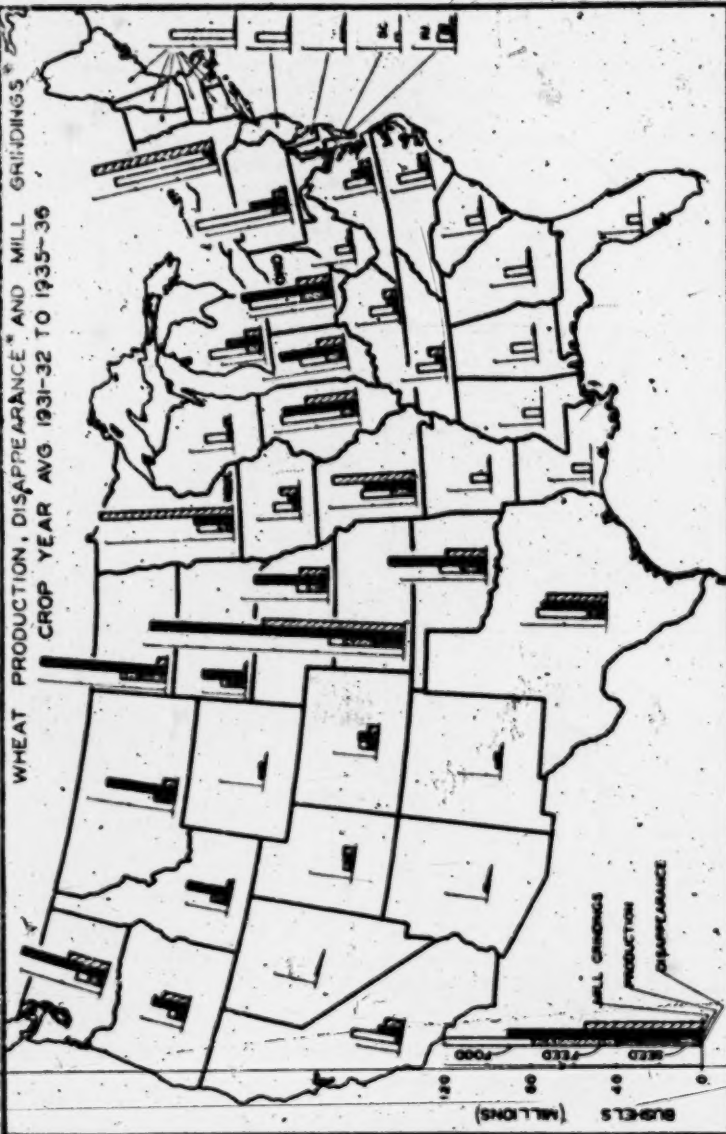
2 Not available.

Source: The Northwestern Miller, April 30, 1941.





Map 9



* UNOFFICIAL ESTIMATES-JHS

88. TABLE 10.—Wheat: Estimated total disappearance compared with farm disposition of production, by States, 5-year average 1931-32 to 1935-36

State	Estimated total disappearance				Production	Farm disposition of production				Total mill grindings
	Seed	Feed	Food	Total		Seed	Feed	Home consumption	Sold	
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Maine	14	104	2,905	3,113	124	14	28	12	70	47
N. H.	0	44	1,752	1,796	(1)	0	0	0	0	124
Vt.	0	69	1,366	1,435	4	0	2	0	2	6
Mass.	0	109	15,343	15,452	(1)	0	0	0	0	25
R. I.	0	81	2,420	2,501	(1)	0	0	0	0	6
Conn.	0	100	8,975	9,075	(1)	0	0	0	0	40
N. Y.	527	2,238	45,597	48,362	5,020	500	1,660	76	2,784	57,330
N. J.	113	780	14,954	15,851	1,176	105	590	10	471	334
Pa.	1,987	6,310	35,441	43,738	17,551	1,919	5,865	943	8,824	6,300
Ohio	3,951	11,323	24,098	39,372	41,936	3,823	10,484	1,193	26,436	16,122
Ind.	3,023	6,470	12,337	21,830	30,820	2,914	5,862	649	21,395	12,646
Ill.	2,985	4,971	27,944	35,900	34,451	2,843	4,317	338	26,953	23,699
Mich.	1,627	6,315	17,053	24,995	16,442	1,516	5,660	700	8,536	7,765
Wisc.	213	1,451	10,730	12,394	1,797	187	1,043	160	407	3,078
Minn.	2,827	4,101	9,701	16,629	17,871	2,561	3,564	808	10,938	62,217
Iowa	600	2,267	9,409	12,276	5,185	523	1,314	128	3,220	8,842
Mo.	2,449	8,436	14,153	25,038	23,100	2,199	6,763	508	13,630	37,839
N. D.	13,374	5,636	2,655	21,665	59,675	11,640	5,438	982	41,615	4,951
S. D.	4,598	4,085	2,643	11,326	20,113	3,128	3,504	431	13,049	719
Nebr.	3,893	5,146	5,126	14,165	34,065	3,390	4,655	594	25,426	12,890
Kans.	13,323	14,373	6,969	34,667	117,474	11,315	13,557	892	91,710	65,422
D. C.	0	0	1,974	1,974	0	0	0	0	0	90
Del.	146	363	978	1,487	1,432	139	334	30	929	315
Md.	774	1,308	6,330	8,412	7,586	735	1,209	242	5,400	2,339
Va.	894	1,987	10,492	13,343	8,695	805	1,753	1,484	4,653	4,738
W. Va.	248	804	7,225	8,276	2,006	220	590	355	891	1,335
N. C.	563	946	13,906	15,445	4,731	567	768	1,526	1,870	4,442
S. C.	205	283	6,577	6,966	1,238	196	214	338	471	399
Ga.	226	301	12,346	12,776	1,188	215	131	201	641	790
Fla.	0	23	6,056	6,079	0	0	0	0	0	0
Ky.	589	1,044	11,419	13,052	4,671	544	615	406	3,106	6,203
Tenn.	510	1,171	11,311	12,932	4,113	487	748	741	2,137	7,534
Ala.	8	91	11,533	11,632	60	8	6	14	32	401
Miss.	0	97	8,597	8,694	(1)	0	0	0	0	0
Ark.	103	751	8,280	9,144	552	86	130	39	297	762
La.	0	53	8,552	8,605	(1)	0	0	0	0	0
Okl.	4,088	7,673	10,021	21,782	44,868	3,775	6,061	320	34,712	18,744
Tex.	3,356	4,916	24,208	32,480	30,105	2,653	2,404	263	24,785	27,906
Mont.	4,335	3,063	1,974	9,372	32,170	3,682	2,873	297	25,318	6,442
Ida.	1,631	5,113	1,761	8,505	20,771	1,555	4,830	321	14,065	2,243
Wyo.	335	736	847	1,918	2,127	267	628	44	1,188	418
Colo.	1,809	2,465	3,873	8,147	8,712	1,379	2,109	151	5,073	4,823
N. M.	280	290	1,564	2,143	3,025	218	228	73	2,506	278
Ariz.	42	216	1,484	1,762	877	56	129	8	694	250
Utah	384	1,595	1,896	3,845	4,556	363	1,471	292	2,430	5,240
Neu.	22	226	348	596	352	20	188	6	138	105
Wash.	3,169	4,218	5,718	13,105	42,083	3,104	3,239	86	35,632	19,007
Ore.	1,763	2,621	3,540	7,924	16,660	1,696	2,201	63	12,729	12,847
Calif.	4,303	1,079	20,548	22,930	11,192	1,210	413	9	9,860	8,702
U. S.	82,307	127,663	473,000	683,000	680,603	72,567	107,608	15,755	484,673	457,296

1 No data reported although a little wheat is shown in 1939 Census.

Source: Estimated total disappearance and mill grindings are preliminary data (12-8-36) prepared by Division of Statistical and Historical Research, Bureau of Agricultural Economics, U. S. Department of Agriculture. Production and farm disposition are from Agricultural Marketing Service, U. S. Department of Agriculture.

90 TABLE 11.—Wheat: Value of production, value for farm household use, and value of sales, by States, average 1930-1939, and 1940

State	Value of production	Average 1930-1939				1940				
		Value for farm household use		Value of sales		Value of production	Value for farm household use		Value of sales	
		Amount	Percent of value of production	Amount	Percent of value of production		Amount	Percent of value of production	Amount	Percent of value of production
	1,000 dollars	1,000 dollars	Percent	1,000 dollars	Percent	1,000 dollars	1,000 dollars	Percent	1,000 dollars	Percent
Maine	120	14	11	71	58	100	7	6	62	57
Vt.	4	(1)	(7)	3	80					
N. Y.	4,705	66	1	2,631	56	6,337	101	3	3,840	62
N. J.	1,040	9	1	437	42	1,105	8	1	460	44
Pa.	15,913	697	4	8,226	52	15,319	354	4	8,113	53
Ohio	31,115	832	3	19,331	63	31,063	322	2	19,470	63
Ind.	22,336	397	2	14,908	67	31,706	361	1	13,913	64
Ill.	27,940	197	1	22,553	81	38,106	103	(7)	23,960	85
Mich.	12,553	430	3	6,903	54	13,537	330	2	7,812	58
Wis.	1,460	139	9	341	23	1,307	63	5	374	29
Minn.	17,804	546	3	12,378	70	22,448	436	3	17,471	78
Iowa	5,657	89	2	3,537	65	5,441	36	1	4,339	80
Mo.	20,166	336	2	12,862	63	21,361	174	1	15,775	73
N. D.	60,984	523	1	30,046	73	65,026	469	1	34,563	57
S. D.	12,686	198	2	5,393	66	17,360	174	1	12,908	81
Nebr.	20,306	336	1	23,086	79	23,654	104	1	18,864	83
Kans.	23,932	415	(7)	68,294	89	73,024	304	(7)	68,790	94
Del.	1,375	34	3	811	66	1,111	23	3	530	75
Md.	6,022	185	3	4,917	74	5,826	127	2	4,468	77
Va.	7,378	1,360	17	3,645	52	7,278	1,023	14	4,063	56
W. Va.	1,696	300	16	746	49	1,774	317	18	587	33
N. C.	4,642	1,544	33	1,812	39	5,703	1,365	23	2,682	47
S. C.	1,386	422	34	464	36	2,365	694	27	1,119	47
Ga.	1,386	314	25	584	47	1,711	466	27	811	47
W. Ky.	4,803	346	8	3,015	67	4,388	362	8	2,845	65
Tenn.	3,904	633	16	2,346	57	4,340	633	15	3,723	63
Ala.	54	14	26	25	46	70	12	17	39	56
Miss.										
Ark.	451	36	8	336	53	353	17	7	121	46
Okl.	20,923	163	1	24,855	80	34,363	95	(7)	26,048	85
Texas	20,453	105	1	17,365	85	18,787	32	(7)	16,519	88
Mont.	22,360	161	1	17,912	80	33,061	169	1	20,436	89
Ida.	13,833	173	1	9,744	70	13,411	115	1	9,431	70
Wyo.	1,677	36	2	1,080	64	2,012	47	3	1,306	65
Colo.	7,978	76	1	5,756	72	8,000	41	1	6,063	76
N. M.	1,716	43	8	1,376	80	1,094	25	2	784	72
Ariz.	722	8	1	577	80	663	4	1	521	79
Utah.	3,633	177	5	1,919	36	2,526	156	5	1,434	40
Nev.	310	4	1	136	41	377	5	1	150	40
Wash.	26,006	43	(7)	34,319	87	24,667	32	(7)	22,140	90
Ore.	12,170	31	(7)	9,814	81	10,826	13	(7)	9,034	83
Calif.	9,936	6	(7)	8,686	87	8,755	3	(7)	7,726	88
U. S.	514,765	11,368	2.2	373,909	73	545,093	9,221	1.7	424,776	78

1 Less than 500 dollars.

2 Less than .5 percent.

Source: U. S. Department of Agriculture, Agricultural Marketing Service.

92 TABLE 12.—Wheat: Volume of cash sales¹ at 6 primary markets, crop years, 1930 to 1940

Year beginning July	Chicago	Minneapolis	Kansas City	St. Louis	Omaha	Duluth	Total 6 markets
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1930	10,448	83,962	55,437	11,055	24,456	45,296	230,614
1931	9,369	31,444	53,090	8,523	10,556	7,095	120,676
1932	4,461	65,882	29,292	4,966	5,592	26,253	136,746
1933	4,714	36,612	20,754	7,228	5,968	16,749	92,025
1934	5,214	17,883	12,802	8,334	3,534	5,060	52,827
1935	6,010	47,940	31,298	6,834	10,524	4,618	107,524
1936	5,112	16,072	27,926	6,556	11,452	2,626	69,744
1937	10,407	35,528	49,736	13,700	14,799	8,184	132,354
1938	6,012	43,911	50,570	9,600	17,280	10,473	137,846
1939	2,968	51,216	27,214	7,586	9,610	10,618	104,222
1940	1,856	35,428	24,674	8,226	6,860	7,052	81,096

¹ Converted from carlots at an average of 1,500 bushels per car.

Source: Bureau of Agricultural Economics.

93 TABLE 13.—Wheat: Volume of futures trading by contract markets, crop years, 1930 to 1940

Year beginning July	Chicago Board of Trade	Chicago Open Board of Trade	Minneapolis Chamber of Commerce	Kansas City Board of Trade	Duluth Board of Trade	Merchants' Exchange of St. Louis	Milwaukee Grain & Stock Exchange	Seattle Grain Exchange	Portland Grain Exchange	All Contract Markets ¹
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels
1930	8,360	297	581	515	220	8.8	15.3	12.2	12.8	10,063
1931	8,566	334	364	773	67	15.2	17.6	5.4	2.9	10,147
1932	9,060	267	589	799	102	10.8	19.4	5.4	3.1	10,800
1933	8,590	249	605	735	72	6.1	18.7	6.0	3.3	10,060
1934	6,798	128	457	678	16	7	13.4	3.6	1.4	8,067
1935	7,272	132	526	666	31	1.8	12.9	2.8	7	8,644
1936	10,152	176	442	855	11	2.2	16.4	1.9	7	11,659
1937	8,301	159	437	800	38	2.3	10.8	3.7	8	9,752
1938	4,372	114	404	559	48		3.8	3.6	1	5,505
1939	6,850	208	539	717	51		7.3	2.4	1	8,375
1940	3,736	117	391	498	36		3.6	2.7	1	4,784

¹ Grain exchanges fulfilling conditions of the Commodity Exchange Act respecting location, facilities, and rules and which have been designated "contract markets" by the Secretary of Agriculture. Trading in grain futures on exchanges in the United States is limited by the act to contract markets. Volume of trading at contract markets other than those tabulated is less than 1 million bushels in most years.

Source: Commodity Exchange Administration.

TABLE 14

UNITED STATES WHEAT EXPORTS BY CUSTOMS DISTRICTS

Exports of wheat from the United States, by customs districts, as reported by the Department of Commerce, in bushels. (Due to unspecified revisions in districts, the sum of the districts as given does not always agree with the total)

[000's omitted]

From—	Fiscal years				Calendar years					
	1936-37	1937-38	1938-39	1939-40	1935	1936	1937	1938	1939	1940
Buffalo		2,316	1,539	350	4		164	2,310	1,722	
New York	21	3,671	2,100	2,369	62	15	1,703	2,817	2,138	1,644
Philadelphia		960	1,150				816	746	878	175
Maryland	2	371	1,419	220		2	101	625	1,125	159
Mobile	41	326				21	41	306		
New Orleans	123	2,776	6,426	2,965	38	33	1,121	6,148	4,493	851
Sabine		4,534		273	6		577	3,957	273	
Galveston		39,799	38,110	4,891	19	21	14,348	44,948	21,892	1,657
San Antonio		2,468	1,217				871	1,779	1,035	
El Paso	5	1			3	27	1	19		
Arizona		18	1							1
San Francisco	41	201	88	15	27	36	180	80	42	23
Los Angeles		1					1			
Oregon	2,532	13,876	25,003	8,413	55	1,510	6,074	16,301	21,771	7,140
Wisconsin		115					115			
Washington	239	1,986	4,603	2,360	12	172	1,361	2,069	5,107	2,597
Montana, Idaho	1	580	20			2	28	592		
Dakota	1	335			7	14		334		
Duluth-Superior		1,662	813	372			834	1,145	868	382
Michigan	3	30	12			3	13	23	6	
Chicago	133	5,198	1,735	1,398			4,268	2,448	1,748	
San Diego	4	117	93	9	1	3	59	144	17	49
Florida	1	5	2				1	7		
Porto Rico			7	1				2	6	1
Total	3,168	83,740	84,539	28,636	233	1,879	34,848	86,980	63,214	14,379

UNITED STATES FLOUR EXPORTS BY CUSTOMS DISTRICTS

Exports of wheat flour from the United States, by customs districts, as reported by the Department of Commerce, in barrels

[000's omitted]

From—	Fiscal years				Calendar years					
	1936-37	1937-38	1938-39	1939-40	1935	1936	1937	1938	1939	1940
Massachusetts	8	8	2	1	2		7	6	3	3
Buffalo	149	103	203	161	128	143	790	163	238	85
New York	2,588	2,231	2,339	2,423	2,356	2,648	2,425	2,261	2,415	2,004
Philadelphia		14		3			6	8	1	1
Maryland	9	61	28	52	17	10	28	54	62	2
Virginia	12	26	23	15	12	12	12	35	23	1
Florida	5	3	6	4	1	6	4	7	2	8
Mobile	7	6	19	13	1	4	10	15	22	12
New Orleans	241	542	602	782	159	148	366	609	792	487
Sabine	6	40	14	24	10	3	30	17	26	18
Galveston	142	395	371	435	56	91	273	358	517	196
San Antonio					1					
El Paso		6	5	5			3	4	4	13
Los Angeles	3			2	2	2	1		1	
San Francisco	52	103	70	76	141	71	89	75	65	64
Oregon	182	320	1,398	1,050	78	120	204	546	1,753	1,207
Washington	531	1,135	1,877	1,469	369	387	854	1,110	1,674	1,674
Montana, Idaho		6	2	1			2	6		
Michigan		13	1	1			7	7	1	
Porto Rico	2	8			12	8	6	3		
San Diego	13	10			14	8	18			
Virgin Islands				2						
Total	3,919	4,900	6,637	6,519	3,297	3,660	4,453	5,213	7,747	5,775

90 TABLE 15.—Exports of wheat, including flour, from the United States, by country of destination, 1910-1940

[Million bushels]

Year beginning July	Total exports ¹	Total Europe	United Kingdom	Netherlands	France	Germany	Italy	Other Europe	Central and South America ²	China and Japan ³	Philippine Islands	Other countries
1910.....	71	41	24	5	4	2	(⁴)	6	9	10	1	10
1911.....	82	48	27	7	(⁴)	2	1	8	11	15	1	10
1912.....	145	105	43	19	5	13	7	18	11	15	2	12
1913.....	148	107	41	24	6	12	3	22	11	15	1	14
1914.....	236	203	85	40	60	3	48	47	14	4	1	17
1915.....	248	206	96	22	35	0	36	44	20	3	2	17
1916.....	306	179	82	22	23	0	18	34	14	(⁴)	(⁴)	13
1917.....	133	120	60	(⁴)	26	0	22	18	6	(⁴)	(⁴)	17
1918.....	267	250	115	9	31	0	43	52	7	(⁴)	(⁴)	30
1919.....	222	187	82	1	40	2	30	43	12	1	(⁴)	21
1920.....	360	221	105	27	24	35	59	73	17	2	1	21
1921.....	285	201	94	24	6	29	26	42	15	25	2	42
1922.....	225	145	37	17	15	13	34	30	12	20	2	45
1923.....	160	70	24	13	2	9	9	13	14	64	3	26
1924.....	281	170	55	25	14	17	26	36	14	8	3	30
1925.....	108	69	30	7	1	3	3	15	15	11	3	30
1926.....	219	160	47	25	16	11	10	31	20	14	3	42
1927.....	308	113	42	19	5	6	11	26	17	15	3	38
1928.....	164	94	20	10	2	3	5	24	21	18	4	57
1929.....	153	79	31	11	2	7	1	27	21	30	3	30
1930.....	131	73	24	13	8	3	4	21	17	16	3	23
1931.....	136	96	19	10	6	4	2	37	23	26	3	14
1932.....	41	14	3	1	1	(⁴)	1	9	15	3	3	6
1933.....	27	6	1	(⁴)	(⁴)	(⁴)	(⁴)	3	7	10	2	6
1934.....	22	4	1	(⁴)	(⁴)	(⁴)	(⁴)	3	7	3	2	6
1935.....	16	3	(⁴)	1	(⁴)	(⁴)	(⁴)	1	7	(⁴)	1	6
1936.....	22	5	(⁴)	3	(⁴)	(⁴)	(⁴)	2	8	(⁴)	2	7
1937.....	107	73	24	14	1	1	1	22	12	3	3	17
1938.....	116	77	30	18	1	3	1	24	11	14	3	9
1939.....	54	27	4	8	(⁴)	(⁴)	(⁴)	15	9	6	5	7
1940.....	41											

¹ Includes flour milled from Canadian wheat imported for milling in bond and export.² Includes Mexico, Panama, Cuba, Brazil, Chile, Peru, and Venezuela for all years, and Haiti and Colombia from 1931 to 1939.³ Includes Hong Kong, Kwantung, and Chosen.⁴ Less than 500,000 bushels.⁵ Data by countries not available.

Map 10



98 TABLE 16.—Wheat, including flour in terms of grain: International Trade, averages 1925-34, annual 1937-39
[1,000 bushels]

Country	Year beginning July—										
	Average 1925-29 ¹		Average 1930-34		1937		1938		1939 ²		
	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	Ex-ports	Im-ports	
Principal exporting countries											
Canada	307,640	796	220,491	387	94,546	5,547	159,885	2,489	210,212	353	
United States ³	170,077	15,815	73,403	15,591	100,090	634	106,645	271	44,908	263	
Argentina	159,377	10,143	537	0	69,670	0	116,116	0	177,561	0	
Australia	83,298	3,128	363	3	123,454	2	96,423	1	80,167	0	
Hungary	23,529	8	17,123	1	9,102	0	27,875	0	40,358	0	
Union of Soviet Socialist Republics	17,731	0	48,272	1,503	43,354	4,807					
Yugoslavia	10,822	5	5,421	2	8	5,011	0	5,352	0	6,687	0
British India	10,060	8,636	4,129	3,075	19,677	1,203	10,097	7,248	2,368	1,345	
Rumania	6,528	79	11,482	15	32,259	0	42,863	0	34,138	0	
Algeria	5,153	1,737	11,022	1,511	7,590	1,078	3,546	1,495			
Tunisia	3,518	969	5,924	864	5,251	289	4,568	592			
Bulgaria	1,899	1,804	4,919	0	8,499	0	2,633	0	3,988	0	
Poland	1,407	4,820	3,224	809	754	401	3,086	109			
Chile	925	456	703	956	1	96	5	224			
Total	801,934	34,838	678,013	24,423	519,208	14,057	579,094	12,429	600,341	1,961	
99											
United Kingdom	11,369	215,665	9,461	229,584	4,469	197,509	5,454	224,804	947	49,190	
Germany	11,527	85,668	14,902	28,368	187	46,206	254	37,452			
Italy	2,014	76,212	6,680	36,469	8,441	10,826	3,471	78,427	168	2,642	
France	4,170	46,574	20,454	53,674	4,214	19,483	16,748	17,978			
Belgium	2,452	43,482	3,855	47,186	4,616	40,927	3,726	42,986	664	21,981	
Brazil	0	32,839	0	32,026	0	36,545	0	39,578	0	34,261	
Netherlands	943	30,050	1,240	28,488	705	24,318	46	28,947	12	22,505	
China	1,862	23,486	1,130	42,162	32	7,702	3,130	28,269	2,782	22,153	
Manchuria					1,115	1,680	0	12,170	0	10,621	
Japan	5,980	23,158	11,970	21,740	13,275	4,693	10,491	1,283	9,054	2,139	
Greece	0	20,055	0	18,583	0	17,863	0	13,547	0	12,511	
Czechoslovakia	418	18,604	3,186	11,289	5,086	3,925	2,490	1,785			
Ireland	74	18,502	0	18,817	0	14,067	0	17,182	0	2,143	
Switzerland	0	16,461	15	18,787	8	14,357	1	17,026	0	11,030	
Austria	116	16,275	101	12,984	41	2,510	7	4,327			
Egypt	162	10,448	40	4,098	833	222	20	221	439	171	
Denmark	524	10,102	76	14,513	477	6,908	152	3,496	105	3,225	
Sweden	2,004	9,662	651	3,815	2,424	1,988	333	1,988	15	474	
Norway	0	6,964	0	8,529	0	6,994	0	8,012	0	11,032	
Union of So. Africa	253	6,317	193	1,418	197	357	206	2,328	214	344	
Cuba ⁴	0	5,705	0	4,154	0	4,796	0	4,661	9	4,821	
Finland	0	5,390	0	4,302	0	3,071	0	2,261	0	234	
Spain	526	5,189	65	2,163							
Peru	10	3,387	3	3,644	0	4,638	0	4,827	0	4,708	
Netherlands Indies ⁵	0	3,328	0	3,445	0	3,883	2	4,320	0	3,596	
Syria and Lebanon	14	2,710	699	1,370	78	1,054	1,680	604	43	0	
Latvia	17	2,027	133	606	36	986	0	492	0	0	
New Zealand	45	1,658	202	970	1	4,064	1	3,258	0	1,220	
Palestine	197	1,138	17	2,145	41	1,830	0	3,907	9	2,558	
Indo-China	0	1,177	0	866	0	1,004	0	1,486	0	590	
Estonia	0	1,062	198	281	61	187	0	19	0	0	
Total	44,576	742,925	73,271	656,930	43,340	489,323	49,212	549,641	14,463	224,555	

¹ Preliminary. For many countries data are for few months only and so are not comparable to earlier years.

² Not full 5-year average.

³ Calendar year basis.

⁴ Averages for 1925-29 and 1930-34 comprise exports of domestic wheat and all flour; imports comprise all wheat (including for milling in bond and export) and all flour. Annual 1937-39, exports comprise domestic wheat and flour made from "wholly United States wheat"; imports for consumption comprise "wheat unfit for human consumption," "wheat other" (62 cents dutiable), and all wheat flour except flour "imported in bond for export."

⁵ Included with China.

Source: Bureau of Agricultural Economics.

WHEAT SUPPLY, DEMAND, AND PRICE

A unique description of the relationship of supply, demand, and price is pictured in Chart 4 showing a balance scale with supply, made up of production and carry-over, on one end of the scale and use at home and abroad plus a reserve at the other end of the scale. When the scale balances between this supply and demand, the indicator points to fair prices for both the farmer and the consumer. However, as the "use at home and abroad" becomes larger than the supply, the indicator points to a price which results in an excessive cost for consumers and unusually high prices for wheat farmers. If, on the other hand, the supply far outweighs the "use at home and abroad" plus a reasonable reserve, the indicator points to a ruinous price for the wheat farmer. This balance of supply and demand applies to the world wheat situation if there are few restraints on the movement of wheat in international trade, but the more restraints on international trade, the more this balance will apply to the wheat situation in an individual country if there are no artificial measures influencing the relationship between supply, demand, and price. A large world supply means a low world price and a small world supply results in a high world price as shown in Chart 5 and Table 17, which show the relationship between world supply and price from 1923 to 1940.

The production in one part of the world affects the market for wheat produced in other countries. This is illustrated in 101 Chart 6 and Table 18 which show that the increase in production in Europe from 1923 to 1939 has been accompanied by a decrease in world shipments of wheat to Europe as well as a decrease in United States net exports during the same period. United States exports have decreased steadily since 1926 except during the year 1937, and also in 1938 when exports were obtained by means of an export subsidy. As an indication of the inter-relationship of world wheat prices, Chart 7 presents the price of wheat in Liverpool and the price of No. 2 Hard Winter wheat at Kansas City. These prices practically always move in the same direction, with Kansas City usually below Liverpool except during the periods of short United States supplies such as from 1933 to 1936. When, as shown in Chart 7, the United States supply available for export and carry-over was short, the price at Kansas City was above that at Liverpool.

The trend of world wheat production has been upward since 1923 as shown in Chart 8 and Table 19. The increase has been

general, largely as a result of increased acreage in both importing and exporting countries.

Human consumption of wheat in the United States as well as in the entire World varies less than that of most commodities, due largely to the importance of bread in diet and the relatively inelastic demand for it. Statistics on the amount of wheat used only for human consumption are not available, but in the United States

the consumption of wheat for food and commercial feeds 102 (practically all of which is for food) has varied only from 474 to 544 million bushels during the 17-year period 1923-24 to 1939-40, while the yearly average price of No. 2 Hard Winter wheat at Chicago has varied from 53 cents to \$1.61 a bushel. In percentage terms, consumption varied from 95 to 109 percent of the average, while price varied from 50 to 152 percent of the average for the period. Monthly or daily average prices would show even greater variation. An analysis of the factors affecting flour consumption in the United States indicates that the demand for flour is so inelastic that a rise in flour prices of as much as 20 percent would result in a decrease in consumption of about 3 percent.

The amount of wheat used for seed is also rather constant and varies only with changes in seeded acreage from year to year or with changes in farming practices regarding the amount of wheat per acre used in the seeding operation. The amount of wheat used for seed has averaged 83 million bushels for the 17-year period 1923-24 to 1939-40, varying from a low of 73 million bushels in 1939-40 to a high of 97 million bushels in 1936-37.

The disappearance of, as well as the demand for, wheat for livestock feed fluctuates much more than the other uses for wheat. It fluctuates with changes in livestock prices and relationship between prices of alternative feeds and the price of wheat. The amount of wheat fed to livestock also increases in years in which

the production of low grade wheat is large, because other 103 opportunities for marketing low grade wheat are usually limited or unattractive. Wheat fed on farms where grown averaged 86 million bushels in the same 17-year period mentioned above, with variations from 28 million bushels in 1925-26 to 174 million bushels in 1931-32.

The supply and utilization of wheat in the United States and the carry-over from one marketing year to the next are shown in Charts 9 and 10 and accompanying Table 20.

World wheat prices declined in the period 1924 to 1933 with the increase in world supplies (see Chart 5). The sharp decline in prices after 1929 was caused by the general decline in industrial activity and commodity prices as well as the increase in supplies. From the spring of 1933 to the summer of 1937, world

wheat prices moved upward, reflecting world-wide recovery in commodity price levels, currency depreciation, and reduced production. In 1938, world prices again declined sharply as a result of record world production and weakness in demand. Prices in 1939-40 remained low but averaged higher than a year earlier, influenced by general expectations of increased demand for wheat as a result of the war, and by poor crop prospects in Argentina and the United States. In 1940-41 large supplies in surplus countries and reduced trade held world wheat prices to low levels.

The price of wheat in the United States depends not only on the supply of wheat in this country, but also on the world supply and demand situation, the general level of United States
104 and world prices for all commodities, and the operation of any governmental price-supporting or price-depressing regulations in this country or in foreign countries. The actual price at any one time is also influenced somewhat by the attitude of those operating in market trading.

Domestic wheat prices up to 1933 followed in general the trend of world wheat prices (see Chart 7). However, from the spring of 1933 to the spring of 1937 domestic wheat prices were unusually high in relation to world prices as the result of small crops in the United States. In 1937 United States production was large and prices declined. In 1938, with domestic production again large, with a record world crop, and with somewhat lower commodity prices generally, prices again declined, and would have averaged still lower had it not been for the United States loan and export-subsidy programs which held domestic prices above export parity.

Prices received by growers for wheat during the year beginning July 1939, averaging 69 cents, continued relatively high compared with the usual relationship to prices in other countries, as a result of only a moderately large carry-over, reduced acreage, poor prospects for 1940 yields, and holding of wheat in expectation of higher prices.

Prices advanced sharply in September 1939, following the outbreak of the European war, and again in December, influenced by war developments and by poor crop prospects in Argentina and the United States. In the middle of May 1940, fol-
105 lowing the turn of events in Europe, selling became heavy and most of the gains were lost. From the middle of May until the middle of August prices declined seasonally, then they advanced until the middle of November. After declining to the middle of February 1941 they again rose, and in July 1941 were at about the highest levels since May 1940.

Parity price of wheat is that price which will give to wheat a purchasing power of articles that farmers buy equivalent to the purchasing power of wheat in the base period, 1909 to 1914, when the average farm price of wheat was 88.4 cents a bushel. Average parity price for any year is computed by multiplying 88.4 cents by the average index of prices paid by farmers during such year, including interest and taxes, and dividing by 100. Because the index is based on so many commodities, parity price fluctuates slowly. Chart 11 and Table 21 show that since 1923-24 the average farm price of wheat has been considerably below parity price.

All classes of wheat in the United States compete, whether it is Soft Red Winter wheat grown east of the Mississippi River, Hard Red Winter wheat grown in the central and southern Great Plains, Hard Red Spring and Durum wheat grown in the northern Great Plains, or White wheat grown on the Pacific Coast. The fact that these wheats are very closely related in the market is indicated by Charts 12, 13, and 14, which present a comparison between the price of No. 2 Hard Winter wheat at Kansas City and No. 2 Red Winter wheat at St. Louis, No. 1 White 106 wheat at Seattle, and No. 1 Dark Northern Spring and No. 2 Hard Amber Durum wheat at Minneapolis. As shown

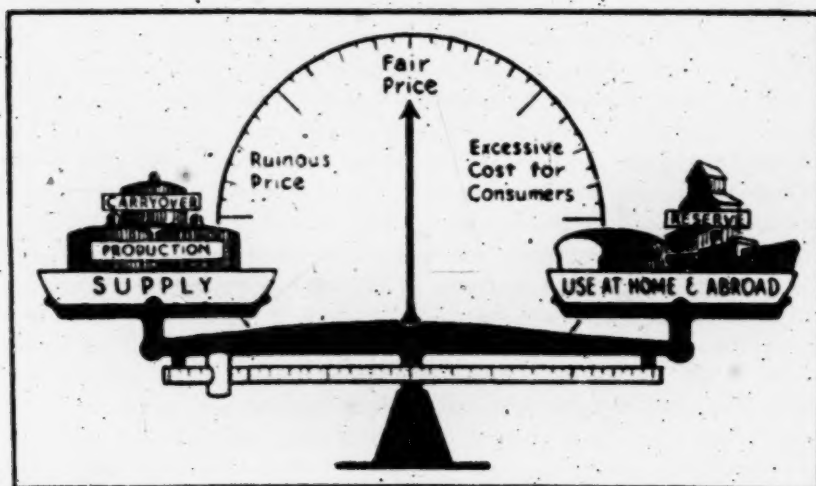
in these charts, movement of prices of the different classes of wheat in the different areas is closely related because of the possibility of some amount of substitution in certain uses and the availability of price information in all trading centers. If the price in one market is high relative to that in other markets, the wheat will move to the market with the favorable price. However, in order to show the supply and price for the individual classes of wheat, Charts 15 to 19 with their accompanying data, Tables 22 to 26, are presented.

Inasmuch as farmers individually cannot protect themselves from the disastrous price that always accompanies large surplus supplies, wheat farmers in this and other countries have requested governmental programs to attempt to regulate wheat marketing and price in a manner somewhat similar to that used by industry for some time. It has been particularly necessary to develop this type of wheat program in the four large exporting countries of Argentina, Australia, Canada, and the United States because of mounting surpluses and reduced demand. During the past marketing year there were 1,100 million bushels of wheat available in the world for export and a world market for only about 450 million bushels. As for this country, during

the 1920's exports of domestic wheat averaged about 195 million bushels but during 1940-41 they dropped to about 35 million bushels. Finally, a comparison may be made between the average return of 86 cents a bushel obtained by the wheat farmer in 1940-41 cooperating with the AAA wheat program and a return of approximately 40 cents a bushel that he would have obtained on the world market. Last year the average return to cooperators consisted of an average farm price of 68 cents a bushel and conservation and parity payments of 18 cents a bushel. For the 1941 crop, the wheat conservation and parity payments again amount to 18 cents a bushel but the loan has been raised to 85 percent of parity and is estimated to average about 98 cents a bushel. Consequently, during 1941 cooperators in the wheat program will receive an average price on the farm approximating parity or about \$1.16 a bushel, as compared with a price of about 40 cents a bushel if the wheat were sold on the basis of a world market. Just before the Liverpool market was closed by the outbreak of the present war in September 1939, the world price was the lowest in 350 years. Farmers in countries trying to sell on the world market must take the world price for their wheat unless they have domestic price protection.

Quotations in August 1941, indicate that in order to export wheat to Europe from Galveston it would require a subsidy of about 50 cents a bushel, and from the Pacific Coast about 36 cents a bushel. A comparison at Buffalo of the price of Canadian wheat and United States wheat indicates that were it not for import quotas on wheat produced in Canada and other countries, proclaimed by the President on May 28, 1941, this country might be flooded with wheat from the huge surplus in Canada. On August 20, 1941, in spite of a 42 cent tariff, the price of our wheat was 5 cents higher than that of Canadian wheat of comparable quality in Buffalo. Canada's 1940 wheat crop of 550 million bushels was its second largest on record, and with storage facilities congested, presented serious difficulties in handling.

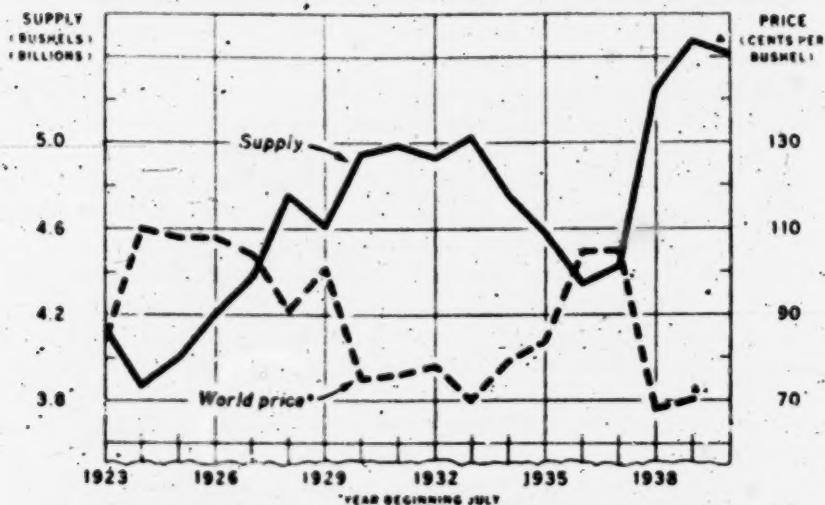
Chart 4



Wheat

Chart 5

WHEAT: WORLD SUPPLY AND PRICE, 1923-40



* AVERAGE BRITISH PARCELS DEFLATED BY STATIST. INDEX NUMBERS (1910-14=100).
 PRICES SINCE SEPT. 1, 1939 COMPUTED ON BASIS OF PRICES IN EXPORTING COUNTRIES
 AND CONVISED OCEAN FREIGHT RATES

* PRELIMINARY

DEC. 20/40

With world wheat supplies for the 1940-41 year likely to be only moderately smaller than supplies a year earlier, world prices may be expected to remain at low levels. The closing of most Continental markets to exporting countries is also a depressing factor.

TABLE 17.—Wheat: Estimated world supply, disappearance and prices, 1922-40

Year beginning July	Stocks about July 1 ¹	Production ²					Net exports from U. S. S. R.	Total supply ³	Total disappearance ⁴	British parcels, average price per bushel ⁵
		United States	Canada, Argentina, and Australia	Europe, excluding U. S. S. R.	All other	World ¹				
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.	Cents
1922	647	847	705	1,050	616	3,218	1	3,865	3,289	92
1923	577	759	847	1,263	666	3,535	21	4,132	3,410	84
1924	723	842	619	1,064	618	3,143		3,866	3,293	110
1925	573	669	701	1,404	622	3,396	27	3,966	3,343	108
1926	653	832	798	1,215	650	3,504	49	4,206	3,519	108
1927	687	875	880	1,275	673	3,683	5	4,375	3,624	104
1928	751	914	1,076	1,400	606	4,006		4,756	3,736	91
1929	1,020	823	595	1,440	715	3,592	7	4,609	3,666	101
1930	943	886	967	1,360	781	3,894	112	4,949	3,903	75
1931	1,046	942	732	1,436	767	3,877	70	4,963	3,950	76
1932	1,043	757	898	1,490	731	3,876	17	4,936	3,792	78
1933	1,144	552	745	1,746	806	3,848	34	5,026	3,833	70
1934	1,193	526	650	1,548	837	3,561	2	4,756	3,804	79
1935	952	626	568	1,576	832	3,602	29	4,583	3,816	84
1936	767	627	620	1,481	826	3,594	4	4,355	3,816	105
1937	519	876	552	1,539	885	3,852	39	4,410	3,811	105
1938 ⁶	599	812	851	1,859	963	4,605	37	5,241	4,066	68
1939 ⁶	1,205	755	815	1,719	978	4,270	-2	5,473	4,053	70
1940 ⁶	1,420									

¹ Excludes U. S. S. R. and China. 1922-36 stocks in United States contained some new wheat; 1937-39 new wheat, in million bushels, deducted in United States stocks as follows: 20 in 1937 and 1938, 41 in 1939, and 14 in 1940.

² Year of harvest. Harvests of the Northern Hemisphere countries are combined with those of the Southern Hemisphere which immediately follow; thus the crop harvested in the Northern Hemisphere countries in 1939 is combined with the Southern Hemisphere harvest which begins late in 1939 and ends early in 1940.

³ Excludes production and stocks in U. S. S. R. and China but includes net exports from U. S. S. R.

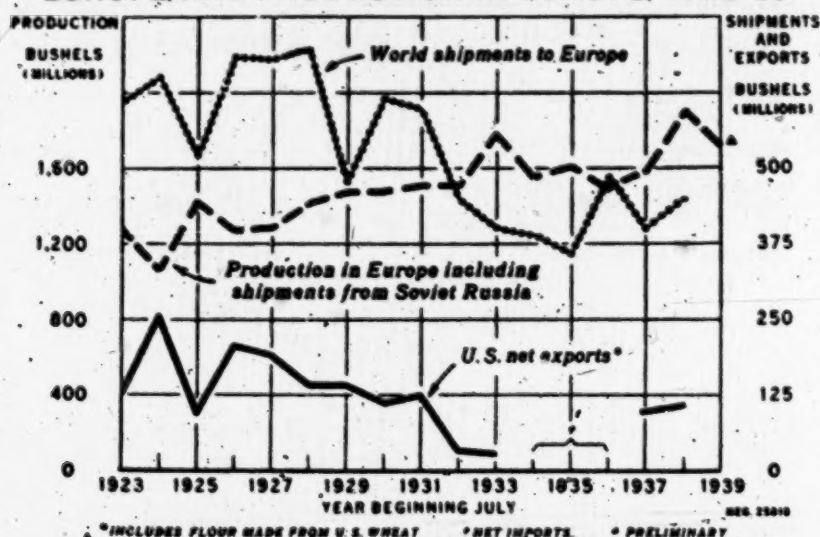
⁴ Deflated by Statistical Index (1910-14=100) and converted at par.

⁵ Preliminary

⁶ Prices since September 2, 1939 computed on basis of prices in exporting countries and conveyed ocean freight rates.

Production and export figures from official sources. Prices compiled from daily prices in the London Grain, Seed and Oil Reporter.

WHEAT: U. S. NET EXPORTS, WORLD SHIPMENTS TO EUROPE, AND PRODUCTION IN EUROPE, 1923-39



Production in Europe (excluding shipments from Soviet Russia) has shown a marked upward trend while world shipments to Europe and the United States net exports to Europe have declined.

TABLE 18.—Wheat: United States net exports, world shipments to Europe, and production in Europe, 1923-38.

Year beginning July	World shipments to Europe	United States net exports ¹	Production in Europe, including shipments from Soviet Russia
	Million bushels	Million bushels	Million bushels
1923	612	131	1,284
1924	682	255	1,064
1925	529	93	1,431
1926	684	266	1,264
1927	655	191	1,280
1928	686	141	1,409
1929	476	140	1,450
1930	615	112	1,472
1931	508	123	1,506
1932	440	32	1,507
1933	402	25	1,780
1934	388	4	1,550
1935	380	30	1,665
1936	485	25	1,485
1937	398	99	1,578
1938	451	106	1,806
1939			1,713

¹ Includes flour; excludes wheat imports for milling in bond and export as flour, or flour admitted free for export.

² Net imports.

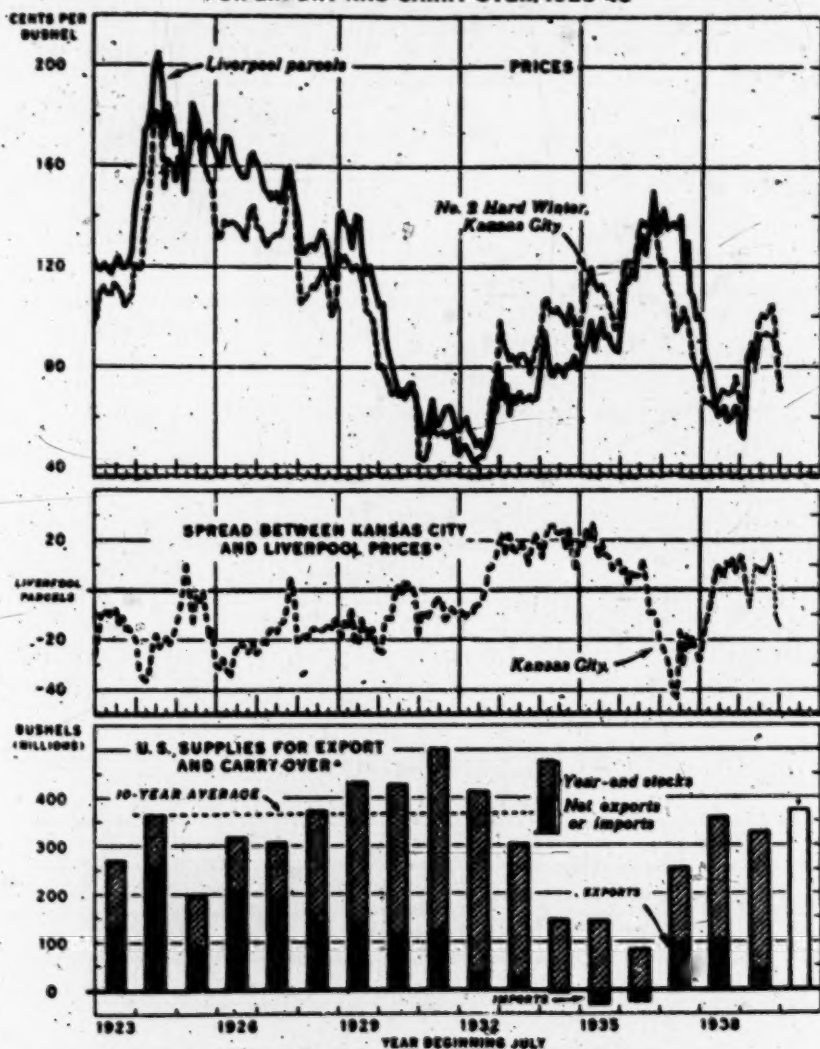
³ Preliminary.

Shipments reported in Broomhall's Corn Trade News. Exports and production from official sources.

112

Chart 7

WHEAT: PRICES AT KANSAS CITY AND LIVERPOOL, AND U.S. SUPPLIES FOR EXPORT AND CARRY-OVER, 1923-40



* LIVERPOOL PRICES SINCE SEPT. 9, 1914, WHEN LIVERPOOL MARKET CLOSED COMPUTED ON BASIS OF PRICES IN EXPORTING COUNTRIES AND ADJUSTED OCEAN FREIGHT RATES.

* CARRY-OVER PLUS POOL - 1.5% LESS DOMESTIC UTILIZATION

* PROBABILITIES

DEC. 1939

The prospective supply for export and carry-over for 1940-41 United States is close to the 1924-33 average. With the likelihood that very large quantities of wheat will be stored, domestic wheat prices may be expected to continue higher relative to values at Liverpool than they were during the 1924-33 period.

During the 1934-36 period world wheat yields were considerably below average and production small. In more recent years large crops have resulted not only from large acreages but high yields as well. A small reduction in acreage took place in 1941.

WHEAT: ACREAGE, YIELD, AND PRODUCTION, WORLD
(EXCLUDING U.S.S.R. AND CHINA), 1923-40

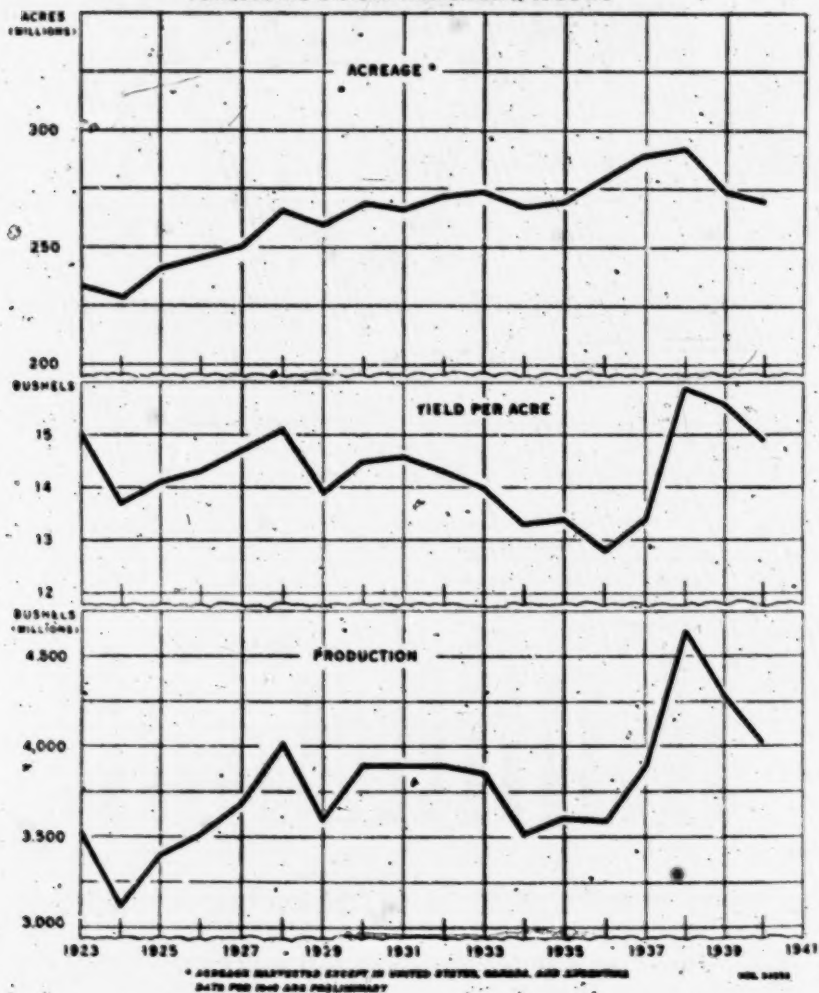


TABLE 19.—Wheat: Estimated acreage, yield, and production, world (excluding U. S. S. R. and China), 1923-40

Year of harvest	Acreage	Yield per acre	Production	Year of harvest	Acreage	Yield per acre	Production
	<i>Million acres</i>	<i>Bushels</i>	<i>Million bushels</i>		<i>Million acres</i>	<i>Bushels</i>	<i>Million bushels</i>
1923.....	236	15.0	3,535	1932.....	272	15.3	3,876
1924.....	229	13.7	3,143	1933.....	274	14.0	3,848
1925.....	241	14.1	3,396	1934.....	267	13.3	3,561
1926.....	245	14.3	3,504	1935.....	269	13.4	3,602
1927.....	250	14.7	3,683	1936.....	279	12.8	3,584
1928.....	266	15.1	4,003	1937 ¹	269	13.4	3,879
1929.....	259	13.8	3,582	1938 ¹	292	15.9	4,638
1930.....	268	14.5	3,894	1939 ¹	274	15.6	4,286
1931.....	266	14.6	3,877	1940 ¹	270	14.9	4,017

¹ Refers to year of harvest in Northern Hemisphere, although it includes data for the Southern Hemisphere where the harvest ends early the following year.

² Acreage harvested except the United States, Canada, and Argentina.

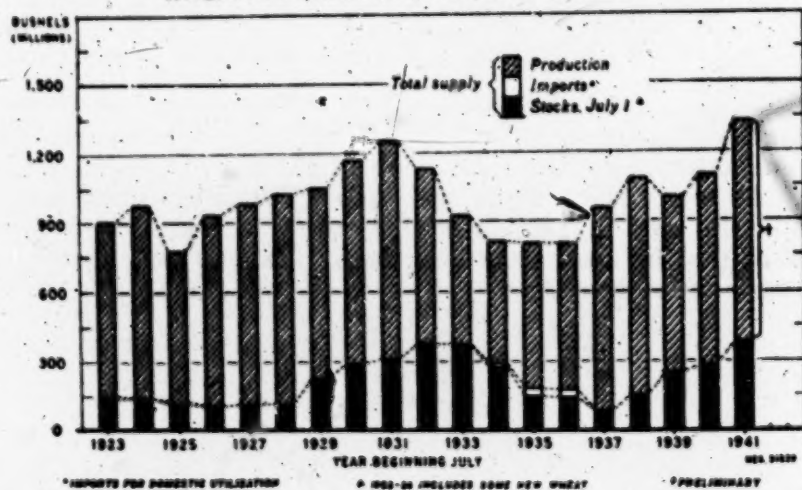
³ Preliminary.

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

114

Chart 9

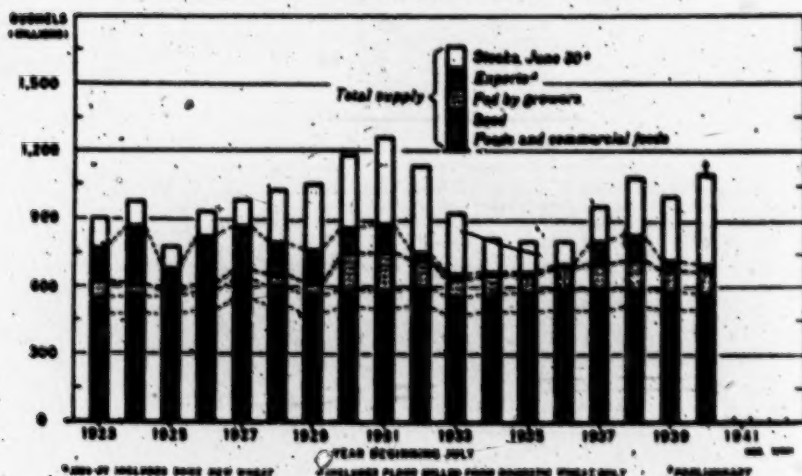
WHEAT: SOURCES OF U. S. SUPPLY, 1923-41



*Total 1941 supplies in the United States are the largest on record. The United States began its 1941-42 marketing year with the largest carry-over and the second largest crop in its history.

Chart 10

WHEAT: DISTRIBUTION OF U. S. SUPPLY, 1923-40



The quantity of wheat used domestically and exported in 1940-41 was about the same as in 1939-40. The carry-over on June 30, 1941, however, was increased by about 100 million bushels, chiefly as the result of the large 1940 crop. The quantity for use as feed and seed in 1941-42 is expected to be somewhat reduced while that for food about unchanged. Exports are expected to remain at low levels.

115 TABLE 20.—Wheat: Supply and distribution in continental United States, 1923-41

SUPPLY

Year beginning July	Stocks July 1					New crop	Imports (four included) ¹	Total supply
	On farms	In country elevators and mills	Commercial stocks ¹	In merchant mills and elevators and stored for others ¹	Total			
With new wheat in commercial and merchant mill stocks:	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1923	35,280	37,117	28,986	31,000	132,312	750,682	14,578	906,572
1924	26,340	36,636	36,112	23,000	137,087	841,617	304	979,006
1925	26,628	25,267	28,930	23,576	108,401	698,700	1,747	778,846
1926	27,071	26,601	16,145	27,803	100,223	832,213	77	932,513
1927	26,640	31,776	21,052	40,036	108,506	875,000	186	984,732
1928	19,889	18,277	38,567	34,920	112,573	914,873	91	1,026,836
1929	45,106	41,846	90,442	51,279	228,678	828,217	35	1,057,442
1930	60,216	60,166	109,227	56,170	286,679	860,470	354	1,178,708
1931	37,867	39,252	203,067	41,302	313,286	941,674	7	1,294,969
1932	63,769	41,865	168,405	71,714	377,989	750,837	10	1,132,410
1933	82,862	64,268	123,712	107,062	377,989	851,682	153	929,772
1934	62,516	46,126	80,546	83,114	274,306	826,360	115,090	816,266
1935	44,326	30,804	31,951	40,524	146,706	826,344	34,617	867,660
1936	43,968	21,908	23,202	80,800	141,068	826,766	34,455	862,969
1937	21,851	11,520	16,197	52,869	102,477	875,676	634	978,787
1938	56,113	30,620	26,333	54,214	172,280	931,702	271	1,104,253
1939	90,372	36,631	61,334	63,020	263,266	751,435	362	1,043,064
1940	83,146	33,618	87,325	90,954	295,032	816,606	3,223	1,111,274
1941	89,097	73,240	151,806	93,882	408,115	932,997	1,361,112
With only old wheat in all stocks positions:								
1937	21,851	11,520	9,022	40,390	82,802	875,676	634	950,112
1938	56,113	30,620	22,190	40,791	152,714	931,702	271	1,084,967
1939	90,372	36,631	64,103	61,054	252,160	751,435	363	1,003,836
1940	83,146	33,618	94,189	80,650	291,603	816,606	3,223	1,101,834
1941	89,097	73,240	142,671	81,806	386,806	932,997	1,330,603

TABLE 20.—Wheat: Supply and distribution in continental United States, 1923-41—Continued

DISTRIBUTION

Year beginning July	Exports and shipments ¹				Domestic disappearance ²				Stocks June 30 ³
	Exports (wheat only)	Exports flour as wheat	Ship- ments (flour in- cluded) ⁴	Total	Seed	Feed (fed on farms of wheat growers)	Foods and com- mercial feeds ⁵	Total	
With new wheat in commercial and merchant mill stocks:	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1923	78,703	67,213	2,973	148,979	74,111	60,670	476,525	630,306	137,087
1924	105,490	89,478	2,871	257,839	79,895	55,727	477,146	612,768	108,401
1925	63,189	31,428	2,741	97,358	78,828	28,214	474,223	581,265	100,225
1926	156,250	49,761	3,082	209,093	83,264	34,261	496,391	613,916	109,506
1927	145,999	45,228	2,692	193,919	89,864	44,507	544,081	678,462	112,372
1928	103,114	38,106	3,172	144,392	83,663	50,566	513,482	654,071	228,373
1929	92,175	48,179	2,983	143,337	83,353	59,769	477,305	619,427	298,879
1930	76,365	36,063	2,859	113,278	80,886	157,188	409,063	747,137	313,288
1931	96,521	29,376	2,757	125,654	80,049	173,991	499,802	753,842	375,473
1932	20,887	10,979	3,023	34,889	83,513	124,912	511,157	719,582	377,939
1933	18,800	6,796	2,779	28,377	77,832	72,261	476,999	627,092	274,306
1934	3,019	7,512	2,783	13,314	82,585	83,700	489,961	656,246	146,708
1935	3,111	3,896	2,899	7,906	87,555	83,168	488,162	658,885	141,688
1936	3,168	6,090	2,996	12,253	96,593	88,272	503,394	688,169	102,477
1937	83,740	16,320	3,321	103,381	94,146	112,860	496,120	703,117	152,714
1938	84,569	22,057	2,898	109,534	75,454	125,591	500,308	701,353	293,366
1939	23,636	21,292	3,475	48,343	72,853	91,487	537,328	701,698	285,033
1940	10,810	22,841	(3,600)	37,251	74,713	100,408	494,287	669,408	408,115
With only old wheat in all stock positions:									
1927	83,740	13,320	3,321	103,381	94,146	112,860	496,011	703,017	152,714
1938	84,569	22,057	2,898	109,534	75,454	125,591	521,948	722,993	252,160
1939	23,636	21,292	3,475	48,343	72,853	91,487	509,572	673,912	281,609
1940	10,810	22,841	(3,600)	37,251	74,713	100,408	502,846	677,967	386,006

Division of Statistical and Historical Research, Bureau of Agricultural Economics.

¹ 1923 to 1926 Bradstreet's, excluding country elevator stocks.² Stocks in merchant mills and elevators—1923 and 1924 estimated in absence of actual figures; 1925-40, Bureau of Census figures raised to represent all merchant mills. Stored for others—1923-25, estimated in absence of actual figures; 1930-40, Bureau of Census figures raised to represent all merchant mills.³ From reports of Foreign and Domestic Commerce of the United States. Imports include full-duty wheat, wheat paying a duty of 10 percent ad valorem, and dutiable flour in terms of wheat, and exclude flour free for export as follows: 42,742 bushels in 1935-36; 108,095 bushels in 1937-38; 353,263 bushels in 1938-39; 213,030, 1939-40; and 169,670, 1940-41. Exports include only flour made from domestic wheat; 1923-35 estimated on basis of total exports less wheat imported for milling in bond and export adjusted for changes in carry-over; beginning 1935, figures for exports and shipments of flour wholly from United States wheat.⁴ Includes durum wheat returned from Montreal, estimated at 1,500,000 bushels.⁵ For 1937 excludes new wheat estimated at 12,500,000 bushels; for 1938 excludes 13,423,000 bushels, for 1939, 23,975,000 bushels; for 1940, 10,314,000 bushels; and for 1941, 12,384,000 bushels, reported as new wheat by Bureau of Census.⁶ Shipments are to Alaska, Hawaii, Puerto Rico, and Virgin Islands (Virgin Islands prior to December 31, 1934, included with domestic exports). 1940 estimated in absence of official figures.⁷ Balancing item.⁸ For individual items; see supply section of this table.

116

Chart 11

Wheat: Supply, Average Farm Price and Parity Price,
United States, 1923 to 1940

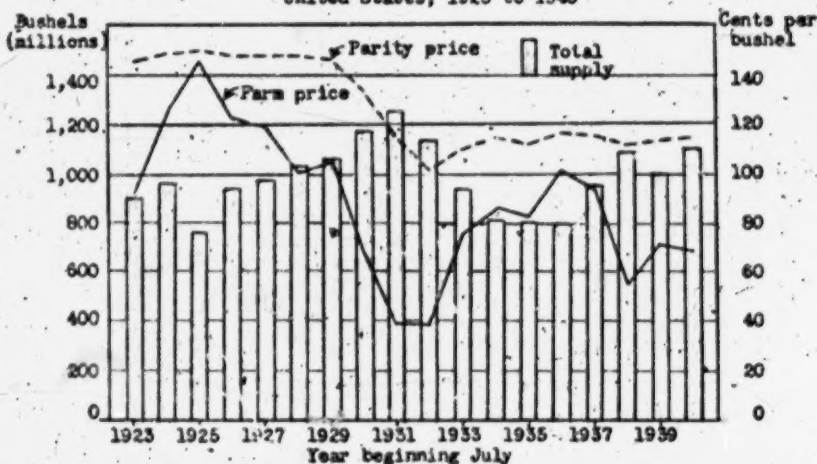


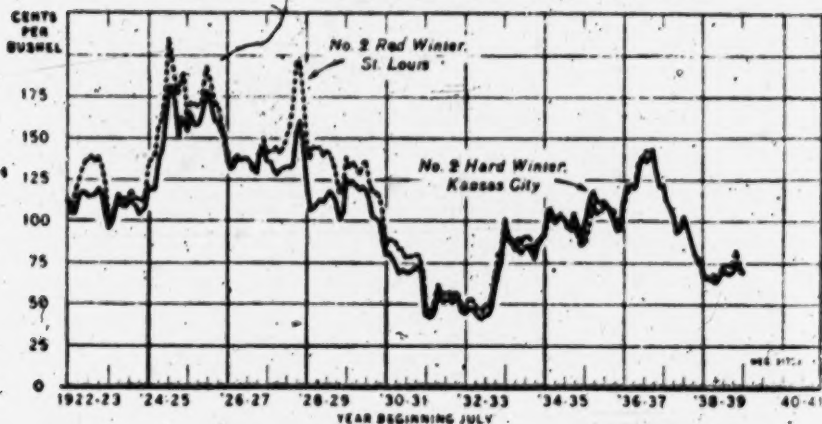
TABLE 21.—Wheat: Supply, average farm price and parity price, United States, 1923 to 1940

Year beginning July	Total supply	Weighted average farm price	Simple average parity price	Farm price as percent of parity
	Million bushels	Cents per bushel	Cents per bushel	Percent
1923	906	92.6	145.0	63.9
1924	979	124.7	148.5	84.0
1925	779	143.7	149.4	96.2
1926	933	121.7	147.6	82.5
1927	985	119.0	147.6	80.6
1928	1,027	99.8	147.6	67.6
1929	1,052	103.6	115.0	71.4
1930	1,176	67.1	132.6	50.6
1931	1,255	39.0	114.0	34.2
1932	1,132	38.2	102.5	37.3
1933	930	74.4	109.6	67.9
1934	816	84.8	115.8	73.2
1935	808	83.2	112.3	74.1
1936	803	102.6	117.6	87.2
1937	959	96.3	116.7	82.5
1938	1,085	56.1	111.4	50.4
1939	1,004	69.2	112.3	61.6
1940	1,102	68.3	113.2	60.3

117

Chart 12

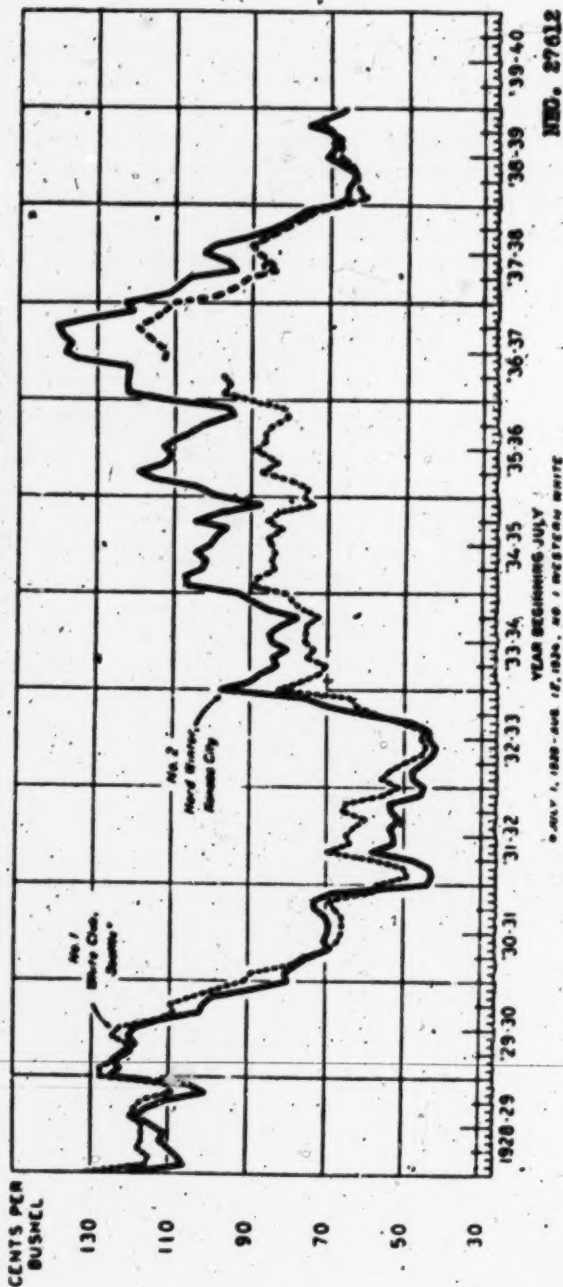
WHEAT: PRICES AT KANSAS CITY AND ST. LOUIS, 1922-39



The price of No. 2 Hard Winter wheat at Kansas City has usually averaged lower than the price of No. 2 Red Winter wheat at St. Louis, and in 1938-39 it was fractionally lower. For 3 years, 1934-35 to 1935-37, however, the price of hard red winter was high compared with red winter because supplies of hard red wheat were less than domestic needs. During these 3 years the prices of both classes of wheat were materially higher than they would have been had the United States been on an export basis.

Chart 13

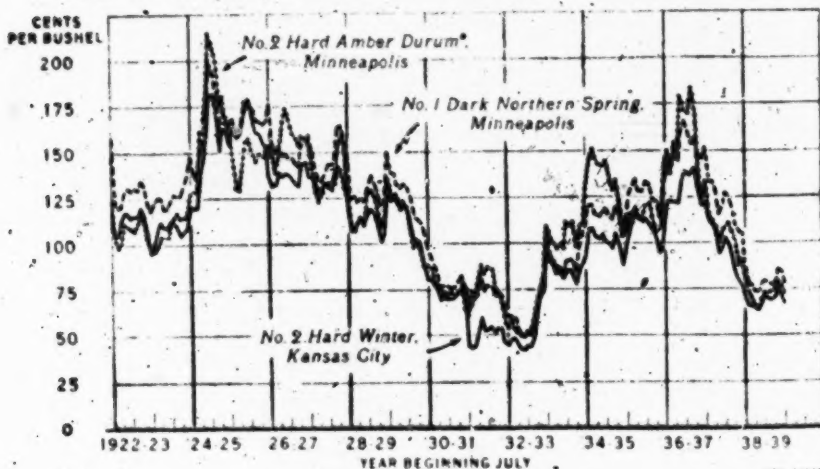
WHEAT: PRICES AT KANSAS CITY AND SEATTLE, 1928-39



Ordinarily exports of wheat have consisted mostly of hard winter wheat grown in the Southern Great Plains and white wheat from the Pacific Northwest. Prices of these two classes in past years were largely determined by foreign market conditions and followed similar courses. This is again expected to be the case in 1939-40. From 1933-34 to 1936-37, however, wheat production east of the Rocky Mountains was very small, and hard winter wheat prices were maintained at unusually high levels relative to those at Seattle.

Chart 14

WHEAT: PRICES AT KANSAS CITY AND MINNEAPOLIS, 1922-39



*NO. 2 AMBER DURUM JULY 1922-JUNE 1934

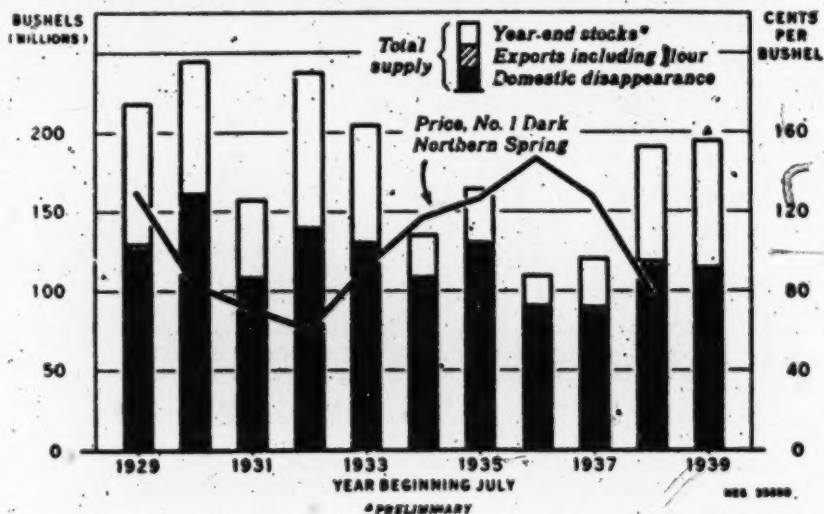
WEC 1-173

Prices of hard red spring and durum wheats from 1933-34 to 1936-37 were high relative to prices of hard red winter wheat as a result of particular shortages in these two classes during this period. With supplies again adequate for domestic needs, beginning in 1937-38, prices of hard red spring and durum wheats have adjusted to a more normal relationship to prices of hard red winter wheat.

118

Chart-15

HARD RED SPRING WHEAT: DISTRIBUTION OF U. S. SUPPLY, AND PRICE AT MINNEAPOLIS, 1929-39



A considerable part of the wheat produced in the Southwest was again exported beginning with the 1937 crop, following 4 years of small supplies which curtailed exports. In recent years, increased production in other countries has reduced export opportunities for United States wheat. However, large exports in 1937-38 were possible because of small crops in other surplus-producing countries, and in 1938-39 by the Government export programs.

TABLE 22.—Hard red winter wheat: Estimated United States supply and distribution, and price at Kansas City, 1929-39

WITH NEW WHEAT IN COMMERCIAL AND MERCHANT MILL STOCKS

Year beginning July	Stocks July 1 ¹	Crop	Total supply	Exports including flour ²	Domestic disappearance ²	Stocks June 30 ³	Price per bushel No. 2 Hard Winter ⁴
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Cents</i>
1929.....	94	371	465	82	263	120	119.6
1930.....	120	404	524	65	306	153	75.5
1931.....	153	514	667	85	344	238	46.9
1932.....	238	281	519	22	26	201	50.9
1933.....	291	177	378	4	249	125	88.5
1934.....	125	208	333	3	262	68	96.1
1935.....	68	203	271	2	212	87	105.1
1936.....	57	260	317	3	257	87	121.4
1937.....	87	373	430	74	278	78	110.8
1938.....	78	368	406	76	236	154	69.5
1939.....	154	303	457				

WITH ONLY OLD WHEAT IN ALL STOCKS POSITIONS

1937.....	37	373	410	74	276	80	110.8
1938.....	60	388	448	76	258	114	69.5
1939.....	114	303	417				

¹ Exports plus shipment to Alaska, Hawaii, and Puerto Rico; include flour made wholly from domestic wheat.

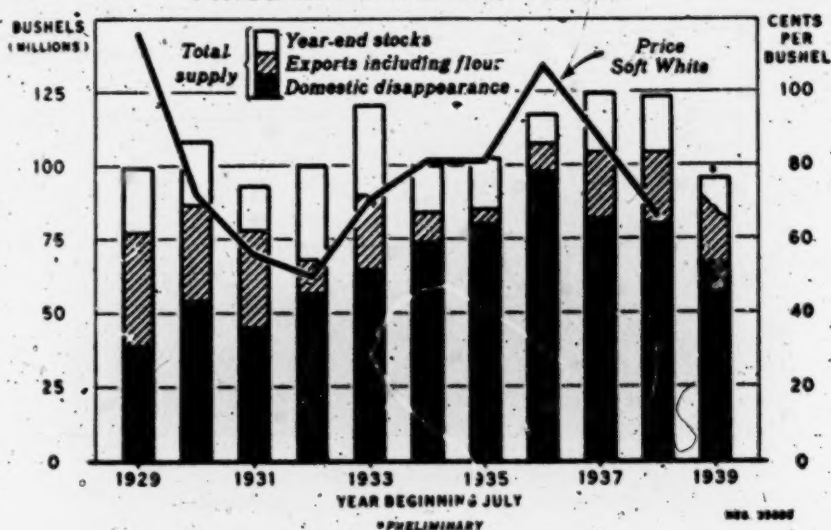
² Balancing item.

³ Stocks June 30, 1930-35 included some new wheat.

⁴ Weighted average, carlot sales reported in Kansas City Grain Market Review.

⁵ August estimate.

WHITE WHEAT: DISTRIBUTION OF U. S. SUPPLY, AND PRICE AT PORTLAND, 1929-39



A considerable part of the white wheat produced in the Pacific Northwest has been exported in the past. During the 3 years ended with 1936-37 unusually large amounts of white wheat were used domestically as the result of short wheat supplies east of the Rockies. Since that time exports have again been large as a result of the operation of the Government export programs.

TABLE 23.—White wheat: Estimated United States supply and distribution, and price at Portland, 1929-39

Year beginning July	Stocks July 1	Crop	Total supply	Exports, including flour ¹	Domestic disappearance ²	Stocks June 30	Price per bushel Soft white
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Cents
1929	14	85	99	38	39	22	116
1930	22	86	108	32	54	22	72
1931	22	71	93	33	45	15	56
1932	15	85	100	11	57	32	80
1933	32	88	120	25	65	30	71
1934	30	70	100	10	74	16	81
1935	16	86	102	5	80	17	81
1936	17	100	117	9	98	10	107
1937	10	114	124	22	82	20	87
1938	20	103	123	24	80	19	66
1939	19	76	95				

¹ Exports plus shipments to Alaska, Hawaii, and Puerto Rico include flour made wholly from domestic wheat.

² Balancing item.

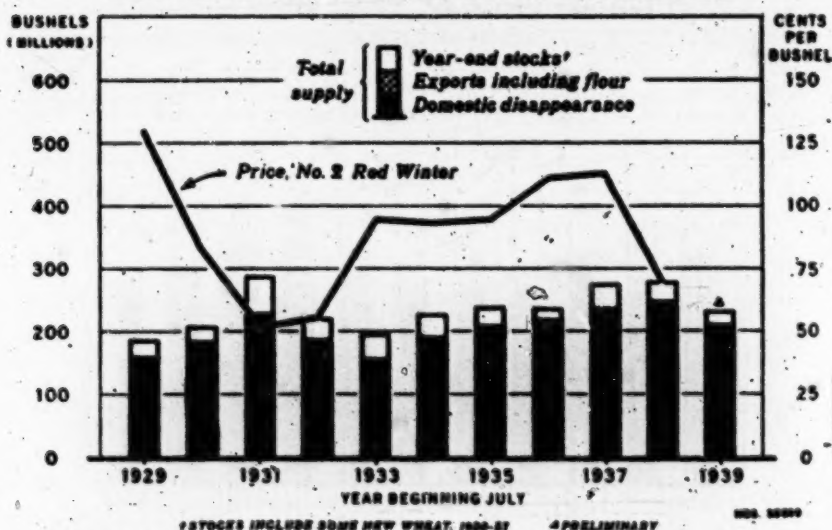
³ Prices reported in Northwest Daily Produce News, Seattle.

⁴ August estimate.

120

Chart 17

SOFT RED WINTER WHEAT: DISTRIBUTION OF U. S. SUPPLY, AND PRICE AT ST. LOUIS, 1929-39



Very little soft red winter wheat has been exported since 1927. Though soft red winter wheat is best adapted for use in making pastry flour, it nevertheless competes with the lower protein hard red winter wheats used in making bread flours.

TABLE 24.—Soft red winter wheat: Estimated United States supply and distribution, and price at St. Louis, 1929-39

WITH NEW WHEAT IN COMMERCIAL AND MERCHANT MILL STOCKS

Year beginning July	Stocks July 1	Crop	Total supply	Exports, including flour ¹	Domestic disappearance ²	Stocks June 30 ³	Price per bushel No. 2 Red Winter ⁴
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Cents
1929	20	164	184	4	154	26	130.2
1930	26	180	206	4	170	23	83.4
1931	23	262	285	3	223	50	51.7
1932	59	159	218	(⁵)	187	31	55.2
1933	31	162	193	(⁵)	157	36	94.3
1934	36	168	224	(⁵)	192	32	93.9
1935	32	204	236	(⁵)	200	27	94.9
1936	27	207	234	(⁵)	219	15	111.1
1937	15	256	273	5	229	39	112.6
1938	39	237	276	4	241	31	69.6
1939	31	* 198	229				

WITH ONLY OLD WHEAT IN ALL STOCKS POSITIONS

1937	13	256	273	5	231	37	111.1
1938	37	237	274	4	240	30	112.6
1939	30	198	228				69.6

¹ Exports plus shipments to Alaska, Hawaii, and Puerto Rico; include flour made wholly from domestic wheat.

² Balancing item.

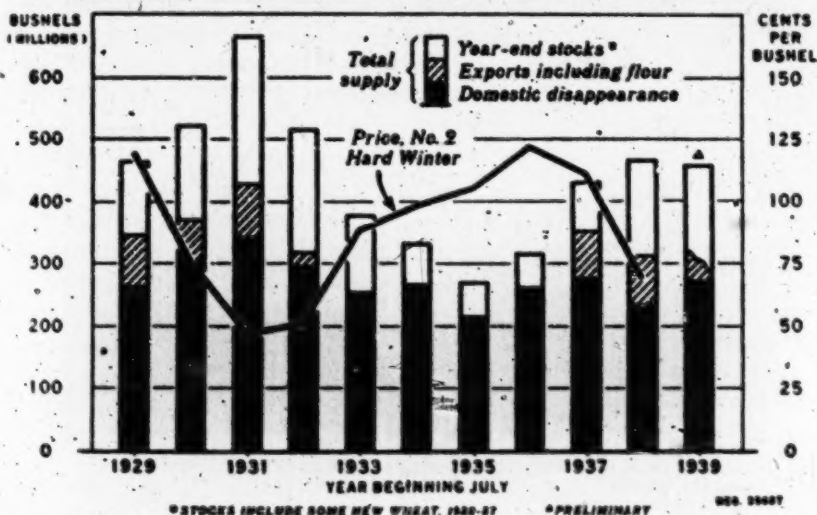
³ Stocks June 30, 1930-37 include some new wheat.

⁴ Weighted average; carlot sales reported in St. Louis Market Record.

⁵ Less than 500,000 bushels.

* August estimate.

HARD RED WINTER WHEAT: DISTRIBUTION OF U. S. SUPPLY, AND PRICE AT KANSAS CITY, 1929-39



Very little hard red spring wheat has been exported since 1924 in spite of wide fluctuations in production. Exports in 1937-38 and 1938-39 were only 2 and 3 million bushels, respectively. Production in 1934 to 1936 was small and prices advanced sufficiently for imports to take place.

TABLE 25.—Hard red spring wheat: Estimated United States supply and distribution, and price at Minneapolis, 1929-39

Year beginning July	Stocks July 1	Crop	Imports wheat and flour	Total supply	Exports including flour ¹	Domestic disappearance ²	Stocks June 30	Price per bushel No. 1 Hk. No. Spr. ³
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Cents
1929	73	146		219	3	127	80	126.5
1930	80	157		246	1	160	85	82.3
1931	85	73		158	(*)	109	49	70.9
1932	49	190		239	(*)	141	98	60.8
1933	98	197		295	(*)	131	74	91.3
1934	74	53	9	136	(*)	109	27	116.4
1935	27	108	30	165	(*)	131	34	128.0
1936	34	51	25	110	(*)	92	18	146.9
1937	18	102	1	121	2	88	31	127.9
1938	31	161		192	3	116	73	79.1
1939	73	122		195				

¹ Exports plus shipments to Alaska, Hawaii, and Puerto Rico; include flour made wholly from domestic wheat.

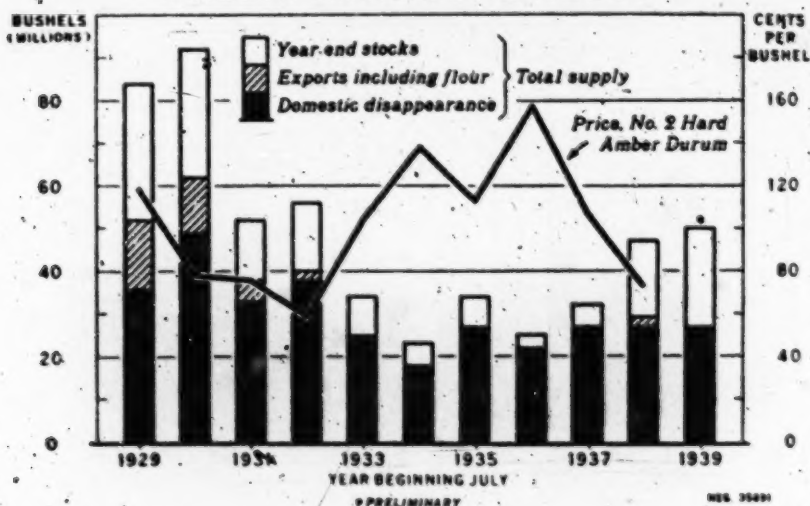
² Balancing item.

³ Weighted average; price sales reported in Minneapolis Daily Market Record.

⁴ Less than 500,000 bushels.

⁵ August estimate.

DURUM WHEAT: DISTRIBUTION OF U. S. SUPPLY, AND PRICE AT MINNEAPOLIS, 1929-39



Before 1930 a considerable part of the durum wheat produced in the United States was exported. During the 3 years ending with 1936-37 supplies were small and prices were relatively high so that some durum was imported. In 1938-39 exports amounted to 2 million bushels.

TABLE 26.—Durum wheat: Estimated United States supply and distribution, and price at Minneapolis, 1929-39

Year beginning July	Stocks July 1	Crop	Imports, wheat and flour	Total supply	Exports, including flour ¹	Domestic disappearance ²	Stocks June 30	Price per bushel No. 2 Hd. A. Durum ³
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	Cents
1929	27	57		84	16	36	32	118.7
1930	32	60		92	13	49	30	77.8
1931	30	22		52	5	33	14	75.8
1932	14	42		56	2	38	16	58.4
1933	16	18		34	(⁴)	23	9	103.2
1934	9	7	7	23	(⁴)	18	5	137.7
1935	5	25	4	34	(⁴)	27	7	112.8
1936	7	9	9	25	(⁴)	22	3	150.9
1937	3	29	(⁴)	32	(⁴)	27	5	109.9
1938	5	42		47	2	27	18	72.1
1939	18	32		50				

¹ Exports plus shipments to Alaska, Hawaii, and Puerto Rico; include flour made wholly from domestic wheat.

² Balancing item.

³ Weighted average; carlot sales reported in Minneapolis Daily Market Record No. 2 Amber Durum, July 1929 to June 1934; No. 2 Hard Amber Durum beginning July 1934.

⁴ Less than 500,000 bushels.

⁵ August estimate.

GOVERNMENT AID TO WHEAT PRODUCERS

Because it is so widely grown and has an important influence on the agricultural economy of many countries, wheat has been subject to more government intervention and aid than any other crop and is usually given primary consideration in drafting agricultural relief measures. In nearly all countries these measures have been designed, in part at least, to protect the domestic prices received by wheat producers. This has been an aim in both importing and exporting countries, but different methods have been used because the circumstances and needs have not been the same in all countries.

Many countries, particularly European wheat importing countries, have attempted in recent years to become more self-sufficient; consequently, they adopted various measures in an effort to increase their own production of wheat. These devices included such actions as import quotas or licenses; higher import duties; mixing regulations limiting the amount of imported wheat that may be mixed with domestic wheat for the manufacture of flour; control over the commodities and origin of the commodities for which foreign-exchange will be expended; fixed or guaranteed minimum prices; and government operated monopolies with absolute control of the country's wheat trade. The operation of these measures resulted in an increased production of wheat in the importing countries and lessened the demand for surplus wheat grown in the exporting countries.

124 The United Kingdom has been by far the leading wheat-importing country of the world, and though, prior to the present war, import requirements had declined only slightly, the demand for imported wheat has not expanded with the increase in population. One explanation of the failure of British wheat imports to expand is found in the scheme for aiding the home producer.

In 1932, the United Kingdom government passed the Wheat Marketing Act, which provided for a guaranteed price to producers on a specified production of wheat. Funds for making up the difference between what the grower receives on the market and the guaranteed price are obtained from a tax on all flour milled in the United Kingdom, from either domestic or imported wheat. When the scheme went into effect in 1932, a price equivalent to about \$1.30 a bushel was guaranteed on a production of 50 million bushels. In the five years immediately preceding 1932 the average British wheat crop was 47 million bushels. In July 1937, although the guaranteed price was not changed, the quantity

of home production on which this price was guaranteed was increased to 67 million bushels, or 43 percent more than the average production in years immediately preceding the inauguration of the Wheat Marketing Act. Actual production of wheat in the United Kingdom during the years 1933 to 1937 averaged 62 million bushels, or about one-third higher than the average production from 1927 to 1931. In 1938, wheat production, 125 with very favorable growing conditions, had increased to 73 million bushels, and this year it is expected to reach about 77 million bushels with barely average yields.

Italy was formerly the largest importer of wheat in continental Europe, but net imports declined 78 percent from the average of the middle 20's to the middle 30's. The decline in Italian wheat requirements has been due both to increased domestic production and to decreased total consumption. The Italian farmer has been given an incentive to maintain or expand wheat production in the form of a guaranteed price, amounting in 1938 to the equivalent of about \$2.00 a bushel. Average production increased 25 percent in recent years, though the wheat-producing area of Italy was increased only about 5 percent between 1926 and 1936. There has been, therefore, a marked rise in the average yield per acre, and so far as production is concerned, it appears that Italy has won the "Battle of Wheat" in years of at least average weather conditions. The other important factor, however, in the decline in Italian wheat imports is the decrease in consumption; in recent years Italy has pursued a policy of compulsory mixing of substitute flours and meal with wheat flour. It appears, as a result of these and other government policies affecting the quality and price of wheat products, that Italian wheat consumption, on a per capita basis, has declined by about ten percent in the past ten years.

126 Germany was formerly the second largest wheat-importing country in continental Europe, but net wheat imports declined 89 percent from the average of the middle 20's to the middle 30's. In 1938, German production of wheat and rye together was sufficient for total requirements, although some wheat was imported for special needs and for addition to stocks. The explanation of the decline of German requirements for wheat is found largely in increased production. Wheat acreage increased from about 4 million acres in 1926 to over 5 million acres in 1936, largely at the expense of feed grains, such as oats, the acreage of which declined. Average wheat production increased about 68 percent. As in Italy, farmers in Germany have been encouraged to grow more wheat by the establishment of favorable guaranteed prices; in 1938, the German farmer was assured a

price equivalent to more than \$2.00 a bushel. On the side of consumption, it is important to note that rye has always been an important alternative breadstuff in Germany, and as a result of the large quantities formerly fed to livestock it has been possible by means of various regulations and programs to bring about a shift to larger consumption of rye for human food. The mixing of corn meal and potato flour has also been employed at times to conserve bread grain.

France is one of the largest wheat-producing countries in the world and so can never be considered a regular outlet for substantial quantities of wheat. France occasionally has im-
127 ported large amounts of wheat in seasons of adverse weather conditions, but in some years it had considerable surpluses because of unusually good growing conditions. The historic policy of the French Government with respect to wheat has been to maintain sufficient protection against imports to assure remunerative prices to the French producer. In recent years, with occasional substantial export surpluses, it has not been possible to maintain prices through merely restricting imports. Consequently, the French Government has taken over marketing of wheat as a government monopoly. Foreign trade in wheat is subject to direct governmental control, and French wheat producers are guaranteed a definite price, equivalent in 1939 to an average of about \$1.50 a bushel.

The minor European wheat-deficit countries have also been restricting imports of wheat and encouraging domestic production, and have done so directly by governmental policies, such as those described generally in a previous paragraph.

As a result of such restrictive measures adopted by the importing countries, as well as the low level of world wheat prices and the importance of wheat in their national economy, the four large exporting countries of Argentina, Australia, Canada, and the United States have all been forced into definite governmental
128 programs to bring relief to their wheat growers. The measures adopted have included subsidy payments to growers, government-guaranteed minimum prices, export bounties, currency depreciation, and barter or other preferential trade agreements. The steps taken by these countries, as in importing countries, have generally evolved toward government control, though in varying degrees depending upon the individual country's situation and problems. In addition to their own domestic programs, these countries have taken the initiative in discussions intended to result in an International Wheat Agreement by means of which the exporting countries would apportion the trade amongst themselves on an equitable and "fair price"

basis, and if possible obtain some increase in consumption and in international trade in wheat. In this way price-depressing competition would be replaced by regulated marketings and the programs in the individual countries could be operated with the expectation of marketing a reasonable amount of wheat in export.

In November 1933, the Argentine Government created the Grain Regulating Board which, in most years of low prices, has established minimum prices and purchased wheat at these guaranteed prices. The purpose of this action was to prevent prices from falling below the cost of production, but individuals were

left free to buy and sell below the minimum. No direct
129 attempt has yet been made to control acreage or production.

Any losses to the Government because of the selling of wheat for export at less than the Government purchase price were made up from the profits obtained by buying export bills at one rate and selling foreign exchange to importers at a higher rate, or if these profits were not sufficient, from funds of the National Bank. For the 1940 crop Argentina established a minimum price of 55 cents a bushel in United States money.

Argentina has, through the organization of the National Bureau of Grain Elevators and the National Grain and Elevator Commission, a program for State-owned rural and terminal elevators. Also the grain law of September 1935 gave broad powers to the Federal Government over the production and marketing of grain.

The Australian Government has paid bounties and made direct grants to wheat producers in most years since 1931. Recently legislation has been passed in Australia in an effort to keep wheat production within reasonable limits and yet render assistance to wheat growers. A fixed price of about 56.5 cents per bushel will be guaranteed on an annual crop of not more than 140 million bushels, with free rail transportation to ports provided. If the export prices go above the fixed prices, the increase will be shared between the farmer and the Government.

In return for the price guarantee, farmers must agree to seed the areas authorized by the Government, to cut for hay any fields designated for this purpose, and to market their wheat
130 through the Government. No license to grow wheat will be issued to farmers who had no acreage under wheat when the legislation was passed. Furthermore, the Australian Commonwealth Government will require the States to speed up measures for removing wheat from marginal lands and for diversifying agricultural production.

During the early years of the depression, Canada experimented with various methods of aid to wheat producers, including the use of voluntary marketing pools, Government guaranty of bank loans

to wheat pools, and direct purchases of wheat for Government account. In 1931-32, wheat producers received a bounty of 5 cents a bushel. The various measures taken, however, failed to solve the problem of accumulation of surpluses.

General dissatisfaction with previous policies resulted in the passage of the Canadian Wheat Board Act in July 1935. This act provides for direct Government control of wheat marketing. The outstanding provision is fixed minimum prices to growers. In addition, however, the Board is empowered to direct export sales and control grain elevators and regulate their relations with transportation agencies. In short, the Board is authorized to use all the usual marketing channels or to create its own machinery if necessary.

Producers were not compelled to sell their wheat to the Board, but only by so doing were they assured of receiving at least the guaranteed price. If the Board eventually disposed of the
131 wheat at more than the minimum price, the participating producers were entitled to a share of the excess. Whenever the Board incurred losses in selling wheat below prices paid to producers, the loss was a direct charge on the National Treasury.

Canada appears to have an effective means of disposing of its wheat surplus in the export market. An important advantage is that strong Canadian wheat is preferred by many of the importing countries even though the price is somewhat higher than that at which weaker wheats, such as Argentine offerings, can be obtained. The cost of the program to the Canadian Government was high last year and the storage problem became acute with one of Canada's largest crops. Canada's present carryover of old wheat, August 1, 1941, reached the record figure of 480 million bushels.

As a result of these large 1940 supplies, Canada's 1941 program has encouraged farmers to seed less wheat in 1941. The Government guarantees payment for 230 million bushels at the prices prevailing for 1940 wheat, delivered according to quotas based on 65 percent of the acreage sown for 1940. The limit set for deliveries to the Wheat Board, 230 million bushels, is equal to about half of the indicated deliveries of wheat from the large crops of the past two years. Though it is indicated that farmers will not be compelled to reduce their acreage, they are urged to

keep before them an objective of not more than 65 percent
132 of last year's seedings, which is the basis of the market quotas. It has been estimated that Canada's 1941 wheat acreage has been reduced about 22 percent from the large 1940 acreage.

In order to maintain western farm income and also assist in bringing about an acreage adjustment, the Government proposes

to pay the farmer a bonus on the acreage diverted from wheat, provided it is used in certain specified ways. Wheat acreage left to summer fallow will draw a bonus of \$4 per acre on July 1, 1941, or as soon as possible thereafter. If feed grains or rye are sown on areas diverted from wheat, the bonus will be \$2 per acre. If such acreage is sown to grass or clover, the payment will be \$2, with an additional \$2 if the land is still seeded to the same crop on July 1, 1942. All these acreage bonuses are to apply to the Prairie Provinces only, leaving the winter-sown acreage of Canada unaffected.

The history of relief for wheat producers in the United States does not differ materially from that in Canada, although greater emphasis has been placed upon the desirability of withholding supplies from the market and curtailing acreage in order to bolster prices. The first large-scale operations of this nature were conducted by the Farm Board and resulted in large losses, due primarily to several years of large United States and world wheat crops, as well as the world-wide depression.

Largely as a result of drought-reduced crops from 1934 through 1936, the carryover of wheat in the United States 133 was reduced to about normal proportions. During this period, however, supplies of white wheat in the Pacific Northwest continued to be excessive, and the Government took various steps to assist growers in that section of the country. The first of these was the organization of the North Pacific Emergency Export Association which operated in 1933-34. This Association was required, under the terms of a marketing agreement with producers, exporters, and millers in Washington, Oregon, and northern Idaho, to facilitate the export of surplus wheat from that region. Payments at the rate of approximately 23 cents per bushel were made on over 28 million bushels, about three-fourths of which was sold in the form of wheat and one-fourth in the form of flour.

The second step was the subsidization of exports of Pacific Northwest wheat flour to the Philippines. This program has been in effect since March 5, 1936. It has been justified on the grounds that we should regain our share of Philippine imports of flour, which had declined from 81 percent during the years 1925 to 1933 to only about 23.5 percent in 1935 and 1936. Under this program, indemnities are paid to millers for flour milled from Pacific Northwest wheat and exported to the Philippines. The program has been successful in regaining for the United States a large share of the Philippine flour market, with the United States currently supplying better than 65 percent of Philippine flour imports.

With the harvesting of a near-record wheat crop in the United States in 1938, together with a very large world crop, it became apparent that a broader program for promoting exports would be necessary if the United States were to maintain its former share of the world market. On August 29, 1938, the Department of Agriculture announced an export-sales policy for wheat and flour for the 1938-39 marketing season. Under the wheat-export program, the Federal Surplus Commodities Corporation purchased wheat from both dealers and producers and since these purchases were for export, they were confined to those classes and grades suitable for export. Exporters of wheat were then invited to make offers to buy, for export, wheat held by the Corporation, and to specify the classes and grades desirable and the prices they would pay. These offers were examined and, if considered reasonable in the light of competitive factors, the wheat was sold. Thus the export trade is conducted through regular trade channels. At first the Corporation had a revolving fund from the Reconstruction Finance Corporation; for some time payments were made as a subsidy from funds provided by Section 32, Public Law No. 320; and now wheat held by the Commodity Credit Corporation is sold for export by the Surplus Marketing Administration.

Although similar in its objective to the wheat-export program, the flour-export program differs somewhat in its operation. Payments are made to exporters based on the difference between the domestic price of flour and prices in foreign markets at the time of sale. Because of fluctuations in the price of flour in the principal world markets and because of the many varieties and grades of American wheat used in making flour, the formula on which such payments are made is not rigid. Payments are made available directly from funds provided by Section 32, Public Law No. 320, which authorizes the Secretary of Agriculture to use 30 percent of the annual customs receipts for the encouragement of export trade, as well as domestic consumption, of agricultural commodities.

In addition to export subsidy programs on wheat and flour, United States wheat farmers have received assistance from the Government for several years, first in the form of adjustment payments, and then price supporting loans, conservation and parity payments, and crop insurance. Participation in these programs depends on compliance with wheat acreage allotments, which, with the farm normal or actual yields, largely determine the farm marketing quotas.

Public Law No. 74, approved May 26, 1941, provides for loans on wheat of 85 percent of parity price on July 1, 1941, if the wheat farmers subject to marketing quotas approved them by a two-thirds majority in a nation-wide referendum. All wheat farmers seeding within their 1941 farm wheat allotments may receive loans which, for the whole country, are expected to average 98 cents at the farm. Participating farmers seeding within their 1941 farm wheat acreage allotments also receive 18 cents a bushel on the normal production of their allotments under the Agricultural Conservation and Parity Programs, administered by the Agricultural Adjustment Administration. The funds for these payments are appropriated by Congress specifically for this purpose. In addition, these farmers may secure from the Federal Crop Insurance Corporation a guarantee to make up to them the amount by which their wheat production in 1941 falls below either 50 or 75 percent of their normal production on the acreage seeded. In obtaining this crop insurance, the farmer must pay a premium calculated to represent the average indemnity per acre for his farm over a long period of years.

Nonparticipating farmers overseeding their wheat allotments are not eligible for these specific benefits; but as a result of these programs, they market their wheat at a price far above any world price based on the natural reaction of supply and demand.

As a result of the 85-percent-of-parity price supporting loan, the agricultural conservation and parity payments, and a good crop, farmers appear certain to obtain a larger income from their wheat crop in 1941-42 than in any year since 1927-28. The value and purchasing power of wheat crops is presented in Table 27, for the years 1910-11 to 1941-42.

137 TABLE 27.—Wheat: Farm value, Government payments and purchasing power, United States, 1910-11 to 1941-42

Crop year	Farm value of wheat production ¹	Wheat payments made under AAA, ACP, and Parity	Farm value plus payments	Index of prices paid by farmers (inc. int. and taxes) ²	Purchasing power of the wheat crop ³
	1,000 dollars	1,000 dollars	1,000 dollars	Percent	1,000 dollars
1910-11	567,900		567,900	98	579,398
1911-12	537,068		537,068	100	537,068
1912-13	588,778		588,778	101	582,946
1913-14	566,039		566,039	102	584,352
1914-15	874,009		874,009	104	840,393
1915-16	998,800		998,800	116	835,172
1916-17	910,032		910,032	136	669,156
1917-18	1,268,896		1,268,896	161	788,135
1918-19	1,853,093		1,853,093	188	985,672
1919-20	2,050,421		2,050,421	203	1,014,493
1920-21	1,539,584		1,539,584	184	836,730
1921-22	843,458		843,458	165	517,459
1922-23	817,929		817,929	164	498,737
1923-24	703,263		703,263	164	428,831
1924-25	1,049,534		1,049,534	168	624,723
1925-26	961,131		961,131	169	568,717
1926-27	1,012,831		1,012,831	167	606,456
1927-28	1,041,512		1,041,512	167	623,660
1928-29	912,496		912,496	167	546,495
1929-30	852,928		852,928	164	520,078
1930-31	594,892		594,892	120	396,595
1931-32	367,636		367,636	129	284,989
1932-33	289,156		289,156	116	249,272
1933-34	410,291	93,896	504,097	124	406,530
1934-35	446,367	105,654	551,921	131	421,314
1935-36	521,315	114,988	636,303	127	501,026
1936-37	642,859	43,389	686,248	133	515,976
1937-38	842,843	(4)	842,843	132	638,517
1938-39	822,699	50,126	872,765	129	454,075
1939-40	519,651	137,555	657,206	127	517,485
Preliminary 1940-41	548,093	103,640	648,733	128	506,823
Estimate 1941-42	932,000	107,000	1,039,000	138	753,000

¹ Published in Agricultural Statistics, 1940.

² Average of calendar year in which crop was grown and the calendar year following, for 1910-11 to 1922-23; average of monthly figures for crop year beginning July, for 1923-24 to 1940-41; an estimate for 1941-42. (Basic data from B. A. E.)

³ Calculated by dividing farm value plus payments by index of prices paid by farmers.

⁴ Estimates of payments received by wheat farmers as part of a general payment under 1936 and 1937 ACP are not available.

⁵ Estimated production of 950,953,000 bushels X average loan rate of 96¢.

THE 1941 NATIONAL ACREAGE ALLOTMENT AND NATIONAL MARKETING QUOTA

On May 13, 1940, the Secretary of Agriculture announced the 1941 national wheat acreage allotment of 62 million acres. This allotment was determined as the acreage which, on the basis of the national average yield, would produce sufficient wheat, together with the carry-over, to result in a supply of 130 percent of a normal year's domestic consumption and exports:

Average domestic consumption and exports of 758 million bushels during the ten years 1929 to 1938 were considered as "normal" since there does not appear to be a definite upward or downward current trend in the annual figures. Averages for the ten-year period for the items comprising domestic consumption are 499 million bushels used for foods and commercial feeds, 84 million bushels used for seed, and 109 million bushels used for livestock feed on farms where grown. Exports averaged 66 million bushels during the ten years, giving a total of 758 million bushels for normal domestic consumption and exports. 130 percent of this figure is 985 million bushels, from which an estimated carry-over on July 1, 1941, of 244 million bushels was subtracted, giving a production goal for the 1941 wheat crop of 741 million bushels. The national average yield of 12 bushels was divided into the goal of 741 million bushels, giving a national acreage allotment of 62 million acres.

139 Table 28 shows the details of the calculation of the 1941 national wheat acreage allotment, which provides for sufficient wheat for use as seed and feed, as well as flour.

On May 9, 1941, the Secretary of Agriculture proclaimed a national marketing quota for wheat for the marketing year 1941-42. It is only when supplies of wheat exceed 135 percent of a normal year's domestic consumption and exports that a marketing quota is in effect. Excessive supplies necessitated the quota for 1941-42.

In determining the total supply for the marketing year 1941-42, the estimated carry-over on July 1, 1941, of 378 million bushels was added to preliminary estimates of 1941 wheat production of 858 million bushels, giving a total supply for the marketing year 1941-42 of 1,236 million bushels. It may be added that the August 1 estimate of 1941 wheat production is 951 million bushels, 93 million bushels above that used by the Secretary in his proclamation on May 9.

Average domestic consumption and exports of 755 million bushel during the ten years 1930 to 1939 were considered as

"normal" since there does not appear to be a definite upward or downward current trend in the annual figures. 135 percent of this figure is 1,019 million bushels, but the estimated total supply for 1941-42 of 1,236 million bushels exceeds the normal domestic consumption and exports by 64 percent.

140 Table 29 shows the details of the calculations incident to the proclamation of the national wheat marketing quota for the marketing year 1941-42.

141 TABLE 28.—Calculation of the 1941 National Wheat Acreage Allotment, May 1940

	Million bushels
1. Carry-over—July 1, 1939	254
2. Production—1939	755
3. Total supply—1939-40 (1+2)	1,009
Consumption, Exports, and Carry-over, 1939-40:	
4. Foods and commercial feeds	503
5. Seed	78
6. Livestock feed	92
7. Total domestic consumption (4+5+6)	673
8. Exports	47
9. Consumption and exports (7+8)	720
10. Carry-over—July 1, 1940 (3-9)	289
11. Crop insurance reserves—July 1, 1940	15
12. "Carry-over" under Agr. Adj. Act of 1938 (10-11)	274
Estimated Supply 1940-41:	
13. Winter wheat production (May 1940 Crop Report)	400
14. Spring wheat production (estimate furnished Adm. May 1940)	215
15. Total supply—1940-1941 (12+13+14)	949
Normal Domestic Consumption and Exports (1929-38 average):	
16. Foods and commercial feeds	499
17. Seed	84
18. Livestock feed	109
19. "Normal" domestic consumption (16+17+18)	692
20. "Normal" exports	66
21. "Normal" domestic consumption and exports (19+20)	758
22. 130% of "normal" domestic consumption and exports	985
Estimated Consumption, Exports, and Carry-over, 1940-41:	
23. Foods and commercial feeds	500
24. Seed (for estimated 65 million acres for 1941 harvest)	80
25. Livestock feed (1929-1938 average, excluding abnormal year)	85
26. Total domestic consumption (23+24+25)	665
27. Exports	40
28. Consumption and exports (26+27)	705
29. Carry-over—July 1, 1941 (15-28)	244

Calculation of National Allotment 1941:		Million bushels
30. Objective for 1941 crop (22-23).....		741
31. National average yield per acre (1930-1939 average, omitting 1933, 1934, and 1936 to adjust for abnormal weather conditions).....		12
32. 1941 national wheat acreage allotment (30÷31).....		62

142 TABLE 29.—Calculations for Proclamation of the 1941 National Wheat-Marketing Quota, May 1941

Supply 1940-41:		Million bushels
1. Carry-over—July 1, 1940.....		282
2. Production—1940.....		817
3. Total supply—1940-41 (1+2).....		1,099
Consumption, Exports, and Carry-over, 1940-41:		
4. Foods and commercial feeds.....		504
5. Seed.....		75
6. Livestock feed.....		100
7. Total domestic consumption (4+5+6).....		679
8. Exports.....		30
9. Consumption and exports (7+8).....		709
10. Carry-over—July 1, 1940 (3-9).....		289
11. Crop insurance reserves—July 1, 1941.....		12
12. "Carryover" under Agr. Adj. Act of 1938 (10-11).....		378
Estimated Supply 1941-42:		
13. Winter wheat production (May 1941 Crop Report).....		653
14. Spring wheat production (estimate furnished Adm. May 1941).....		205
15. Total supply—1941-42 (12+13+14).....		1,236
Normal Domestic Consumption and Exports (1930-1939 average):		
16. Foods and commercial feeds.....		504
17. Seed.....		83
18. Livestock feed.....		111
19. "Normal" domestic consumption (16+17+18).....		698
20. "Normal" exports.....		57
21. "Normal" domestic consumption and exports (19+20).....		755
22. 135% of "normal" domestic consumption and exports.....		1,019

Since the total supply of wheat indicated for 1941-42 (item 15) is in excess of 135% of "normal" domestic consumption and exports (item 22), a national marketing quota for wheat is necessary for the marketing year 1941-42.

143 Entered into this 8th day of January 1942.

(Signed) WEBB R. CLARK,
Dayton, Ohio,

(Signed) HARRY N. ROUTZOHN.
Dayton, Ohio,
Attorneys for Plaintiff.

(Signed) CALVIN CRAWFORD,
Leo C. Crawford
United States Attorney,
Dayton, Ohio.

(Signed) JOHN S. L. YOST,

(Signed) W. CARROLL HUNTER.

*Special Assistants to the Attorney General, Department
of Justice, Washington, D. C., Attorneys for Claude
R. Wickard, Secretary of Agriculture of the United
States.*

144 In United States District Court

*Order overruling motion of Carl R. Helke, Roy M. Baker, Homer
W. Flinsbach, and Dale Williams to dismiss complaint as to
them*

Entered March 25, 1942

This cause came on to be heard upon the motion of the defend-
ants, Carl R. Helke, Roy M. Baker, and Homer W. Flinsbach,
individually and as members of the County Agricultural Com-
servation Committee for Montgomery County, Ohio; and Dale
Williams, individually, and as described in the petition as State
Chairman for the Agricultural Conservation Committee for the
State of Ohio, by John S. L. Yost and W. Carroll Hunter,

145 Special Assistants to the Attorney General; and Calvin
Crawford, United States District Attorney, acting under
the direction of the Attorney General of the United States and
Department of Justice of the United States, to dismiss said
defendants from this complaint individually and in their official
capacity as members on the Agricultural Conservation Com-
mittees, under the Agricultural Adjustment Act of 1938, as
amended.

The Court being advised in the premises finds said motion
not well taken, and that same should be overruled.

It is therefore considered, ordered and adjudged that the mo-
tion of the defendants, Carl R. Helke, Roy M. Baker, and Homer
W. Flinsbach, individually and as members of the County Agri-

cultural Conservation Committee for Montgomery County, under the Agricultural Adjustment Act for 1938, as amended; and Dale Williams, individually and as State Chairman for the Agricultural Conservation Committee for the State of Ohio under the Agricultural Adjustment Act of 1938, as amended, should be and hereby is overruled.

To all of which findings said defendants by their counsel except.
Done this 25th day of March, 1942:

Approved:

(Signed) JOHN H. DRUFFEL,

(Signed) FLORENCE E. ALLEN,

(Signed) ROBERT R. NEVIN,

Judges.

(Signed) WEBB R. CLARK, *Attorney at Law,*
Third National Building, Dayton, Ohio.

(Signed) HARRY N. ROUTZOHN, *Attorney at Law,*
Third National Building, Dayton, Ohio.
Attorneys for Plaintiff.

(Signed) JOHN S. L. YOST,
Special Assistant to the Attorney General,
Department of Justice, Washington, D. C.

146 (Signed) W. CARROLL HUNTER,
Special Assistant to the Attorney General,
Department of Justice, Washington, D. C.

(Signed) CALVIN CRAWFORD,
United States Attorney,
for the Southern District of Ohio, Dayton, Ohio.
Attorneys for Defendants.

147 In United States District Court

Answer of Defendants, Carl R. Helke, Roy M. Baker, Homer W.
Flinsbach, and Dale Williams

Filed March 25, 1942

Carl R. Helke, Roy M. Baker, Homer W. Flinsbach, and Dale Williams, defendants in the above-entitled case, reserving their exceptions to the overruling of their motion to dismiss this action against them, answer the complaint herein as follows:

FIRST DEFENSE TO FIRST CAUSE OF ACTION

1. The allegations contained in paragraphs one, two, three, four, five, six, and eight of the first cause of action set forth in

the complaint are admitted, except that it is averred that the defendant Dale Williams is a member of the State Agricultural Conservation Committee for Ohio, but is not the chairman of the said committee. The chairman of said committee is Elmer F. Kruse. The County Agricultural Conservation Committee for Montgomery County, Ohio, referred to in paragraph two of the complaint, and the State Agricultural Conservation Committee for the State of Ohio, referred to in paragraph three of the complaint, are established under Section 8 (b) of the Soil Conservation and Domestic Allotment Act (U. S. C., 1940 ed., Title 16, Section 590h (b)), and the said committees, pursuant to Section 388 (a) of the Agricultural Adjustment Act of 1938 (U. S. C., 1940 Ed., Title 7, Section 1388 (a)), are utilized by the Secretary of Agriculture of the United States in the administration of the wheat marketing quota provisions of the Act last mentioned (U. S. C., 1940 Ed., Title 7, Sections 1281 et seq., as amended by 55 Stat. 203 and Public Law 384, 77th Cong., Chapter 636, 1st Session, approved December 20, 1941, 55 Stat. 872).

2. The allegations contained in paragraph seven of the first cause of action set forth in the complaint are admitted, but in this connection the defendants refer to the provisions of the Agricultural Adjustment Act of 1938, as amended as mentioned above, relating to wheat marketing quotas.

3. The defendants, in answering paragraph nine of the first cause of action set forth in the complaint, aver that farm marketing quotas for wheat are in effect under the Agricultural Adjustment Act of 1938, as amended, for the 1941 crop of wheat. Wheat produced by any farmer in excess of the farm marketing quota is, under the Act, known as the "farm marketing excess" and is declared to be available for marketing and subject to a marketing penalty. The penalty is 49 cents per bushel under the marketing program effective with respect to the 1941 crop of wheat. Each producer who has such a farm marketing excess is required to pay the marketing penalty thereon, or to store such excess, or to deliver the same to the Secretary of Agriculture of the United States. In the absence of the performance of this duty by the producer, the buyer of any wheat of the producer is required by the Act to pay the marketing penalty thereon and is given the right to deduct the amount thereof from the purchase price paid to the producer. The administrative regulations issued by the Secretary of Agriculture pursuant to the authority contained in the Act provide that all marketing penalties shall be paid to the Secretary of Agriculture through the treasurer of the appropriate county agricultural conservation committee. All wheat produced on the farm is subject to a lien in favor of the United States for the amount of the marketing penalty.

It is admitted that the acreage allotment established for the farm of the plaintiff was 11.1 acres; that the normal yield of wheat per acre for such farm was established at 20.1 bushels; and that notice of said allotment and normal yield was duly given to the plaintiff in July 1941. The defendants aver that a similar notice was given to the plaintiff in July 1940, prior to the planting of the plaintiff's 1941 crop of wheat. The defendants aver also that the plaintiff prevented the measurement of his farm, and consequently that the defendants are without knowledge or information sufficient to form a belief as to the truth of the allegation relating to the amount of farm marketing excess of wheat for the farm of the plaintiff. The defendants deny the allegation contained in said paragraph of the complaint to the effect that the farm marketing excess of wheat applicable to the plaintiff's farm is not subject to the payment of the marketing penalty. It is further denied by the defendants that the plaintiff was notified by the County Agricultural Conservation Committee for Montgomery County, Ohio, that the farm marketing excess for his farm was 239 bushels.

4. The allegations contained in paragraph ten of the first cause of action set forth in the complaint are denied, except 150 that it is admitted that the County Agricultural Conservation Committee for Montgomery County, Ohio, acting under the administrative regulations issued by the Secretary of Agriculture, has refused to issue to the plaintiff a marketing card whereby the plaintiff may market any of the wheat produced by him without payment by the buyer of the marketing penalty in respect to the applicable farm marketing excess. In this connection, the defendants refer to the provisions of the Act as outlined above, and to the administrative regulations issued under the authority of the Act relating to the payment of marketing penalties.

5. The defendants admit the allegations contained in paragraph eleven of the first cause of action set forth in the complaint, relating to the date of the referendum and to the time when farm marketing quotas for wheat for the 1941 crop were established. In this connection, the defendants aver that farm marketing quotas for wheat for the 1941 crop became effective upon the proclamation to that effect by the Secretary of Agriculture on May 9, 1941. The remaining allegations contained in paragraph eleven are denied.

6. The allegations contained in paragraphs twelve, thirteen, fourteen, fifteen, and sixteen of the first cause of action set forth in the complaint are denied, except that it is admitted (1) that the wheat farmers of the nation were, prior to the holding of the wheat referendum on May 31, 1941, informed by the Depart-

ment of Agriculture of the salient facts of the wheat industry, and of the effects on such industry of the presence or absence of wheat marketing quotas, and (2) that the wheat marketing penalty under the Act was 15 cents a bushel instead of 49 cents a bushel at the time of the planting of the plaintiff's wheat in 1940.

151.

FIRST DEFENSE TO SECOND CAUSE OF ACTION

1. The defendants, in answering generally the second cause of action set forth in the complaint, adopt their foregoing answer to the first cause of action set forth in the complaint.

2. The defendants deny the allegations contained in paragraph one of the second cause of action set forth in the complaint, to the effect that an actual and immediate controversy exists as between the plaintiff and these defendants.

3. The defendants admit the allegations contained in paragraph two of the second cause of action set forth in the complaint to the effect that the issues raised herein are of great importance to the plaintiff and the public generally, but aver that said issues are such that they cannot be determined in this or any other proceeding against these defendants.

4. The defendants admit the allegations contained in paragraph three of the second cause of action set forth in the complaint, except that the defendants deny that the plaintiff is entitled to any of the relief prayed for in the complaint.

SECOND DEFENSE TO FIRST AND SECOND CAUSES OF ACTION

The defendants aver that this action cannot be maintained against them for the reason that said defendants have no power or authority, either as individuals or as members of the County Agricultural Conservation Committee for Montgomery County, Ohio, and the State Agricultural Conservation Committee for Ohio, respectively, to enforce the wheat marketing quota provisions of said Act or to require the plaintiff to do, or refrain from doing, any of the acts of which the plaintiff complains, or anything whatsoever.

152.

THE THIRD DEFENSE TO FIRST AND SECOND CAUSES OF ACTION

It is averred by the defendants that the applicable provisions of the Agricultural Adjustment Act of 1938, as amended, as aforesaid, under which wheat marketing quotas were established by the Secretary of Agriculture, through local committees, for wheat farms, including the farm operated by the plaintiff, constitute a

regulation of the marketing of abnormally excessive supplies of wheat as in, and as directly affecting, interstate and foreign commerce, and that the provisions of said Act which are drawn in question by the plaintiff in this case are in every respect consistent with the Constitution of the United States, and that the actions taken by said defendants with respect to wheat marketing quotas for the 1941 crop of wheat were in conformity with the provisions of said Act and the administrative regulations issued thereunder.

FOURTH DEFENSE TO FIRST AND SECOND CAUSES OF ACTION

The complaint fails to state a claim, in either the first or second causes of action, upon which relief can be granted.

(Signed) JOHN S. L. YOST,

(Signed) W. CARROLL HUNTER,

*Special Assistants to the Attorney General,
Department of Justice, Washington, D. C.*

(Signed) CALVIN CRAWFORD,

*United States Attorney
for the Southern District of Ohio, Dayton, Ohio,
Attorneys for Defendants.*

Service of a copy of the foregoing answer is hereby acknowledged this 24th day of March 1942.

(Signed) WEBB R. CLARK,

*Dayton, Ohio;
Attorney for Plaintiff.*

153

In United States District Court

Opinion of Druffel and Nevin, District Judges

Filed March 14, 1942

Before ALLEN, Circuit Judge, and NEVIN and DRUFFEL, District Judges.

DRUFFEL, District Judge:

The above entitled action was submitted to this three judge court organized under Section 3 of the Act of August 24, 1937, after argument, upon the pleadings and agreed stipulation

154 of facts from which it appears that plaintiff is a farmer who has been engaged in producing wheat among other products on a farm in Montgomery County, Ohio. Under the provisions of the Agricultural Adjustment Act of 1938 as amended, a wheat acreage allotment of 11.1 acres and a normal yield of 20.1 bushels an acre were established for plaintiff's farm in July 1940, for the 1941 wheat crop.

In the fall of 1940 plaintiff planted 23 acres of wheat which produced in July 1941, 462 bushels, which amounted to 239 bushels farm marketing excess over the fixed allotment. At the time of planting the acreage in excess of the allotment, Section 339 of the Act provided:

"Any farmer who, while farm marketing quotas are in effect, markets wheat in excess of the farm marketing quota for the farm on which such wheat was produced, shall be subject to a penalty of 15 cents per bushel of the excess so marketed."

In due time, the defendant Claude R. Wickard, Secretary of Agriculture, pursuant to the Act, issued a proclamation relating to the national marketing quota, at the same time calling for a national referendum on May 31, 1941, of wheat farmers planting more than fifteen acres of wheat (fifteen acres or less are exempt from the Act) to approve or disapprove of the quota allotment, etc., and also issued instructions as to the referendum.

On May 19, 1941, Mr. Wickard made a radio address to the farmers of the United States, in which he strongly urged an affirmative vote of more than the necessary two-thirds of eligible wheat farmers in the national referendum, saying among other things:

* * * "To make wise decisions, we need to know the facts. What then, in view of the vote on May 31, are some of the facts about wheat? For one thing, we have a record amount 155 of old wheat on hand and a bumper crop in prospect.

That is something to be looked at with satisfaction on one hand and with alarm on the other." * * * "Because of the uncertain world situation, we deliberately planted several million extra acres of wheat this year. * * * Farmers should not be penalized because they have provided insurance against shortages of food. The nation wants farmers safeguarded against unfair penalties. The nation also wants other protection given agriculture." * * * "As you all know, parity is one of the most important objectives of the national farm programs and will continue to be a goal." * * *

"Only last week, the Senate and House sent to the White House a bill calling for an 85 percent of parity loan for wheat" * * *

"But no wheat loan will be made unless wheat farmers vote for marketing quotas and without the loan there is no hope for parity on wheat in 1941. So parity for wheat is up to the wheat farmers themselves." * * *

"The law provides that wheat loans will not be made if wheat growers vote down marketing quotas. * * * The continuance—or discontinuance—of government loans on wheat is at stake in

this referendum on May 31. To put it bluntly, no quotas, no loans. And, judging from prices in Canada, rejection of marketing quotas on May 31 would just about cut the price of wheat in this country in half."

"I wish that corn and wheat farmers were able to vote on marketing quotas before they plant their crops, instead of afterwards as is the case now. Cotton, tobacco, and rice farmers vote on quotas before they plant and I see no good reason for denying this privilege to wheat and corn growers. I am sorry that the legislation authorizing loans at 85 percent of parity did not change the time for voting on wheat and corn quotas. This provision was recommended by the Department of Agriculture and we plan to recommend it to Congress again. Yet the fact that the referendum on wheat quotas comes after the crop is almost ready for harvest in no way alters the significance of the vote." * * *

In the national referendum 81% voted in favor of the marketing quotas and 19% were opposed to the quotas.

On May 26, 1941, the bill referred to by Mr. Wickard, relating to wheat marketing quotas under the Act of 1938, as amended, was approved. The Act as thus amended provided for an increase in loans on wheat equal to 85% of the parity price of wheat.

It also provided during any marketing year the quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess at the rate of one-half of the basic rate of the loan on the commodity, and that the entire crop of wheat produced on the farm shall be subject to a lien in favor of the United States for the amount of the penalty.

Plaintiff for his cause of action complains that the excess of 239 bushels of wheat has been subjected to a penalty of 49 cents per bushel by the defendant county committee; that his entire crop of wheat is subject to a lien for the payment thereof, and unless paid he would be refused a marketing card, which is necessary for plaintiff to sell his crop of wheat.

By reason thereof plaintiff challenges the authority of the Secretary of Agriculture to construe said Act, as amended, retroactively as to the crop of wheat planted in the fall of 1940, and asserts that the referendum is invalid and the Act and amendments thereto are violative of Sections 4 and 9 of Article I of the Constitution and of the Fifth and Tenth Amendments thereto.

In the recent case of *Mulford et al v. Smith et al.*, 307 U. S. 38, the Supreme Court considered questions relating to the claimed retroactive operation of the Tobacco Act, and upheld the Act.

Upon analysis we believe the case at bar is clearly distinguishable from *Mulford et al. v. Smith et al.*, aside from the difference in controlling provisions of the Wheat and Tobacco Acts, and should

be placed in an entirely different category because of the circumstances surrounding the referendum and the fact that the law increasing the penalty was approved only five days prior 157 to the national referendum held in forty wheat growing states.

Considering the fact that the law increasing the penalty to one-half of the 85% parity loan and subjecting the entire wheat crop to a lien for the payment thereof became effective May 26, 1941, yet would be inoperative if more than one-third of the eligible wheat farmers opposed the quota in the May 31st referendum, it becomes important to determine whether or not the necessary two-thirds of the wheat farmers voluntarily voted affirmatively or were unintentionally misled in so voting in the referendum.

It is fully recognized by all that Congress has devoted much time in the past several years in a laudable effort to help the farmers, and as Mr. Wickard said: "parity is one of the most important objectives of the national farm programs and will continue to be a goal," and it is but natural that the several hundred thousands of wheat farmers scattered all over the United States (559,630 voted), should look to the Secretary of Agriculture for advice and direction in a matter of such importance as the quota referendum, and when in his official capacity, the Secretary, in the nation-wide radio speech appealing for an affirmative vote for the quota, eleven days prior to the referendum, said:

* * * "To make wise decisions, we need to know the facts."

* * * "Because of the uncertain world situation, we deliberately planted several million extra acres of wheat. * * *

Farmers should not be penalized because they have provided insurance against shortages of food."

it would seem that the Secretary meant what he said and that the farmers voting affirmatively would not be penalized for the

"deliberately planted" excess acreage beyond the law in 158 effect at the time of planting. But the contrary was true, the

bill to which Mr. Wickard referred greatly increased the penalty for the "deliberately planted" excess acreage and subjected the entire crop to a lien for the payment of the penalty.

Giving full credit to the Secretary for his zeal and his efforts to help the farmer to avoid ruinous wheat prices which he foresaw if the quota referendum failed, yet it would seem that the equities of the situation demanded that the Secretary also forewarn the farmers that in accepting the benefits of increased parity loans they were also subjecting themselves to increased penalties for the farm marketing excess.

In the *Mulford et al. v. Smith, et al.* case, 307 U. S. 38, 46, and 47, the court say:

"In the light of the fact that the appellants received notice of their quotas only a few days before the actual marketing season

opened, the maintenance of actions based upon collection of the penalties would have been a practical impossibility. We are of the opinion, therefore, that a case is stated for the interposition of a court of equity."

Here but five days intervened between the time the law became effective and the favorable referendum which made it operable.

We have no precedent in point to guide us in a determination of the precise issues raised by the foregoing state of facts. However, in cases involving the validity of gift taxes, a principle was approved which we think applicable here. The Supreme Court in *Nichols v. Coolidge*, 274 U. S. 531, 542, say:

"This court has recognized that a statute purporting to tax may be so arbitrary and capricious as to amount to confiscation and offend the Fifth Amendment."

and in *Welch v. Henry*, 305 U. S. 134, 147, say:

159 "In the cases in which this court has held invalid the taxation of gifts made and completely vested before the enactment of the taxing statute, decision was rested on the ground that the nature or amount of the tax could not reasonably have been anticipated by the taxpayer at the time of the particular voluntary act which the statute later made the taxable event." (The voluntary act in the case at bar being the affirmative vote in the referendum.)

Under the circumstances we are obliged to hold that the amendment of May 26, 1941, in so far as it increased the penalty for the farm marketing excess over the fifteen cents per bushel prevailing at the time of planting and subjected the entire crop to a lien for the payment thereof, operated retroactively and that it amounts to a taking of plaintiff's property without due process, and also, or in the alternative that the equities of the case as shown by the record favor the plaintiff.

In consideration whereof the court grants plaintiff's prayer to the extent that defendants be perpetually enjoined from collecting the penalty for the farm marketing excess over and above fifteen cents per bushel and from subjecting the entire crop to a lien for the payment thereof and from collecting said fifteen cents per bushel except in accordance with the provisions of Section 339 of the Agricultural Adjustment Act of 1938 as it was in effect prior to May 26, 1941.

In view of the foregoing we deem it unnecessary to pass on the other question raised by plaintiff's bill of complaint. *Brucker v. Fisher*, 49 F. (2d) 759-761 (C. C. A. 6); *Piedmont & N. Ry. Co. v. Query*, 56 F. (2d) 172-175.

NEVIN, District Judge Concurs.

(Signed) DRUFFEL, J.
NEVIN, J.

Dissenting opinion by Allen, Circuit Judge

Filed March 14, 1942

ALLEN, Circuit Judge, dissenting. I cannot agree with the conclusions of my colleagues. There is no equitable justification for interference by this court with the fulfillment of the declared legislative will of the nation because of the circumstances under which a marketing excess of wheat was established for plaintiff's farm.

The question of the legal effect of alleged infirmities in the referendum on quota provisions for the 1941 crop of wheat is substantially identical in every material respect with that considered by the Supreme Court in *United States v. Rock Royal Co-operative, Inc.*, 307 U. S. 533. That case held that an order issued by the Secretary of Agriculture pursuant to the Agricultural Marketing Agreement Act was valid and enforceable. The order fixed minimum prices to be paid producers for milk sold to dealers and disposed of by them in a designated market area comprising the city of New York and adjacent counties. Just as here, a favorable referendum of farmers was made a condition upon the operation and effectiveness of wheat marketing quotas, so in that case the Marketing Agreement Act required that an order fixing prices to the producers should be made only on condition that such provision was "approved or favored" by a specific proportion of the producers of the milk covered in such order. Title 7, U. S. C., § 608c (9) (B). There a pamphlet issued by the Department of Agriculture prior to the referendum and publications of private organizations to the effect that dealers would be required to pay all producers the uniform price established, whereas the order made it clear that the uniform price was not applicable to milk sold outside the market area or to milk handled by cooperatives. The Supreme Court held that the validity of the referendum had not been affected.

161 Here the alleged misrepresentation claimed to have vitiated the submission of the wheat quota referendum is extracted from a radio speech of the Secretary of Agriculture made some twelve days before the referendum. He said that "farmers should not be penalized because they have provided insurance against shortages of food." The plaintiff claims this language is misleading because of the provision in the amendment to the Act which increased the penalty on the farm marketing excess from 15 to 49 cents per bushel. The context of the Secretary's speech makes it clear that he was speaking of penal-

ties in the form of ruinously low prices which result from an excess supply of any basic farm commodity. No reference to enforcement provisions of any legislation, new or old, could reasonably be understood to be intended from the reference to low prices as penalties, for the Secretary went on to say:

"The nation also wants other protection given agriculture. One expression of this wish is the national farm programs. These programs protect all farmers. Since the second world war began, commodity loans have stood between wheat producers and the economic blitzkrieg.

"Without the programs, wheat prices would be threatening the low record of 1932 instead of being within striking distance of parity as they are now."

Other statements significant of the intended emphasis are as follows:

"Average prices of wheat to Kansas growers in mid-May were about 80 cents. This compares with about 45 cents to Canadian farmers (United States money). Leaving out government payments, American producers will receive over twice as much for this year's wheat as Canadian growers.

"High prices without adjustment of supply are certain to be followed by ruinously low prices. We know that from experience."

162 It is not claimed that the speech was intended to mislead producers, and considered as a whole, it would not have a natural tendency to mislead. As in *United States v. Rock Royal Cooperative, Inc.*, supra, "there is no evidence that any producer misunderstood." The Secretary declared as a fact and it is not denied that the requisite proportion of the participants voted in favor of the institution of quotas. In the language of the Supreme Court, "There is no authority in the courts to go behind this conclusion of the Secretary to inquire into the influences which caused the producers to favor" the proposed action. *United States v. Rock Royal Cooperative, Inc.*, supra.

While the plaintiff presents a case of possible hardship, I do not think that the penalty provisions operate so retroactively or so arbitrarily as to violate the Fifth Amendment.

In *Mulford v. Smith*, 307 U. S. 38, the crop of tobacco, which was subjected to a penalty insofar as it exceeded certain quotas and was marketed, had been planted in seed beds before the Act was passed, had matured and was ready for marketing before producers received notice of the quota allotted to their respective farms. In that case it was claimed that since the producers complaining were unable to process their tobacco and make it fit to be held for sale in a later year, the penalty amounted to a tax

upon production and was so oppressive as to be invalid. The Supreme Court held that the fact that certain producers had not provided facilities for processing and storing the excess tobacco was of no legal significance.

163 The distinctions which the plaintiff advances do not distinguish the Mulford case. The plaintiff complains that his entire crop of wheat is now subject to a lien in favor of the United States for the amount of the penalty. The assertion is made that "Wheat farmers, under the provisions of the Act as amended on May 26, 1941, are denied the privilege of storing their wheat, any part of it, without paying the penalty of 49 cents a bushel on all of the excess production." This statement is misleading. It is true only if storing is given the meaning of "storing without compliance with the Act," for the resolution adopted May 26, 1941 (Public Law 74—77th Congress), expressly provides (paragraph 4):

"Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of corn or wheat, the entire crop of corn or wheat, as the case may be, produced on the farm shall be subject to a lien in favor of the United States for the amount of the penalty." [Italics added.]

This clearly means that the lien and the penalty may be avoided by storage of the excess. This conclusion is reinforced by paragraph 6 of the same amendment, which reads:

"Whenever the planted acreage of the then current crop of corn or wheat on any farm is less than the farm acreage allotment for such commodity, the total amount of the commodity from any previous crops required to be stored in order to postpone or avoid payment of penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage. The provisions of section 326 (b) and (c) of the Act shall be applicable also to wheat."

Penalties, therefore, may be avoided by planting acreage below the allotment for a later year or by yields in a subsequent year which are below normal either for the particular farm or for the nation as a whole. Title 7, U. S. C., Section 1326 (b) and (c).

164 The Act does not purport to control production, but only sale or use. It had been passed some two and a half years before the plaintiff's crop was planted, and it is stipulated that plaintiff had notice of his farm acreage allotment in July 1940 before the planting of his 1941 crop of wheat. An exaction

is not necessarily unconstitutional because retroactive. *Milliken v. United States*, 283 U. S. 15, 21. "In each case, it is necessary to consider the nature of the tax and the circumstances in which it is laid before it can be said that its retroactive application is so harsh and oppressive as to transgress the constitutional limitation." *Welch v. Henry*, 305 U. S. 134, 147. It is not so harsh or oppressive here. While the monetary value of plaintiff's wheat crop has been so increased by the stimulating effect of the Act upon wheat prices that increased price more than compensates for any penalty that plaintiff may be required to pay, it is even more significant that plaintiff had been warned by the fact that Congress had undertaken to regulate the supply of wheat available for market by the imposition of penalties. *Milliken v. United States*, *supra*. The Act had been amended in material respects before plaintiff planted his wheat in the fall of 1940, and he could reasonably anticipate that Congress would make further amendments if they were deemed advisable. One amendment previously made showed that Congress intended to make whatever changes were appropriate to avoid circumvention of the basic purposes of the Act, for it had expanded the meaning of "market" so as to include in the case of wheat, feeding to poultry or livestock. 54 Stat. 727, Sec. 3, approved July 2, 1940.

165 Congress may impose penalties in aid of the exercise of any of its granted powers. *Sunshine Anthracite Coal Co. v. Adkins*, 310 U. S. 381, 393. The authority of the Federal Government over interstate commerce does not differ in extent or character from that retained by the states over matters within their jurisdiction. *United States v. Rock Royal Cooperative, Inc.*, *supra*, at 569, 570. If the commerce clause is a sufficient source of power, controls adopted in its exercise are unconstitutional "only if arbitrary, discriminating, or demonstrably irrelevant to the policy the legislature is free to adopt, and hence an unnecessary and unwarranted interference with individual liberty." *Nebbie v. New York*, 291 U. S. 502, 539. Here the classification of wheat subject to penalty and wheat free from penalty is an "integral and essential feature" of the Act. Adequate administrative procedure with court review has been provided to insure fair allocation of quotas. Cf. *R. R. Commission of Texas v. Rowan & Nichols Oil Co.*, 310 U. S. 573, 311 U. S. 614; *ibid.*, 311 U. S. 570. Discrimination between cooperating and noncooperating producers is a constitutional means of securing compliance. * * * the Fifth Amendment, unlike the Fourteenth, has no equal protection clause." *Sunshine Anthracite Coal Co. v. Adkins*, *supra*, at 401.

The Act as applied to wheat is a valid exercise of the federal commerce power. The tobacco marketing quota provisions have

been so upheld. *Mulford v. Smith*, supra. A like decision has been reached as to the provisions relating to cotton. *Troppey v. LaSara Farmers Gin Co., Inc.*, 113 Fed. (2d) 350 (C. C. A. 5).

Denial of the same validity to wheat regulation, as a regulation of interstate and foreign commerce, as has been accorded to the tobacco and cotton regulations of the Act, would result in an incongruous exercise of the federal commerce power.

It is no longer open to question that Congress has the power to protect interstate commerce "from interference or injury due to activities which are wholly intrastate." *National Labor Relations Board v. Fainblatt*, 306 U. S. 601. "Activities conducted within state lines do not by this fact alone escape the sweep of the Commerce Clause. Interstate commerce may be dependent upon them." *United States v. Rock Royal Co-operative, Inc.*, supra, at 569.

It is true that Congress has no power to regulate intrastate transactions which affect commerce only indirectly. *A. L. A. Schechter Poultry Corp. v. United States*, 295 U. S. 495. But where it is claimed that the local activity sought to be regulated does not directly affect commerce, decision should not be made by examination of the effect of isolated individual activity, but must include due regard to the total effect of the attempted regulation. *United States v. Darby*, 312 U. S. 100, 123.

Title 7, U. S. C., Section 1331, reads as follows:

"Wheat is a basic source of food for the Nation, is produced throughout the United States by more than a million farmers, is sold on the country-wide market and, as wheat or flour, flows almost entirely through instrumentalities of interstate and foreign commerce from producers to consumers.

"Abnormally excessive and abnormally deficient supplies of wheat on the country-wide market acutely and directly affect, burden, and obstruct interstate and foreign commerce. Abnormally excessive supplies overtax the facilities of interstate and foreign transportation, congest terminal markets and milling centers in the flow of wheat from producers to consumers, depress the price of wheat in interstate and foreign commerce, and otherwise disrupt the orderly marketing of such commodity in such commerce. Abnormally deficient supplies result in an adequate flow of wheat and its products in interstate and foreign commerce with consequent injurious effects to the instrumentalities of such commerce and with excessive increases in the prices of wheat and its products in interstate and foreign commerce.

"The conditions affecting the production and marketing of wheat are such that, without Federal assistance, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and shortages and the burdens on interstate and foreign commerce resulting therefrom, maintain normal supplies of wheat, or provide for the orderly marketing thereof in interstate and foreign commerce.

" * * * The provisions hereof for regulation of marketings by producers of wheat whenever an abnormally excessive supply of such commodity exists are necessary in order to maintain an orderly flow of wheat in interstate and foreign commerce under such conditions."

The stipulation of facts now before us amply supports these legislative findings. It follows that the power to regulate the supply of wheat that normally moves in interstate or foreign commerce must be upheld as appropriate means reasonably adapted to the regulation of interstate commerce. Since regulation of the supply of wheat available for sale in interstate commerce but actually used within the state of its origin is drawn into a general plan for the protection of interstate commerce in the commodity from the interferences, burdens, and obstructions arising from excessive surplus and the social evils of low values, the power of Congress extends to it as well. *United States v. Rock Royal Co-operative, Inc.*, supra, at 569. The regulation of prices there upheld had no more direct or substantial relation to the flow of goods in interstate commerce than does control of supply. The local activities regulated not only affect interstate commerce but also affect the

168 exercise of the granted power of Congress to regulate interstate commerce in sufficient measure so that such regulation is an appropriate and, hence, permissible means of attaining that legitimate end. See *United States v. Darby*, supra, at 118.

The bill of complaint should be dismissed.

(Signed) ALLEN, Circuit Judge.

169

In United States District Court

Findings of fact and conclusions of law

Filed March 25, 1942

Plaintiff demands judgment against the defendants whereby the defendants may be permanently enjoined from enforcing against the plaintiff the provisions of the Agricultural Adjustment Act of 1938, as amended, relating to wheat marketing quotas, and whereby the applicable provisions of the act may be declared invalid.

170 The grounds for the relief sought by the plaintiff are that the wheat marketing quota provisions of the act, as amended May 26, 1941 (55 Stat. 203), are not within the power of the Congress under the Constitution to regulate interstate and foreign commerce, and that the requirement under the amendment/aforsaid that the plaintiff shall pay a wheat marketing penalty, computed under the amendment at 49 cents a bushel, on the plaintiff's farm marketing excess of the 1941 crop of wheat which was planted before the said amendment became effective is inconsistent with due process of law.

Claude R. Wickard, Secretary of Agriculture, a defendant herein, has waived his objection heretofore made to the maintenance of this suit against him, upon the ground of improper venue, and has filed his answer to the complaint herein. The remaining defendants have, by motion, resisted the granting of the relief prayed against them, upon the ground that they are without power to enforce against the plaintiff, or any other producer, the wheat marketing quota provisions of the act, but said defendants indicated at the hearing herein that, in the event of the overruling by the court of their motion to dismiss the case as against them, they would, reserving exceptions to the overruling of said motion, file an answer to the complaint herein which would be similar to the answer of the Secretary of Agriculture, and that the said answer should have the same effect as though the answer had been filed prior to the time of the hearing herein.

The case was heard upon a stipulation of facts before a statutory three-judge court convened under Section 3 of 171 the Act of August 24, 1937. In accordance with the requirements of Rule 52 of the Federal Rules of Civil Procedure, the court makes findings of facts and states its conclusions thereon as follows:

FINDINGS OF FACT

The court finds the facts to be as set forth in the written stipulation filed by the parties and specifically finds:

I

Plaintiff is a farmer who has for many years past been engaged in producing wheat on the farm situated in Montgomery County, Ohio, and owned by him. The plaintiff maintains on his farm a herd of dairy cattle and produces and sells milk. The wheat produced by the plaintiff is winter wheat, which is planted in the fall. The 1941 crop of wheat harvested by the plaintiff, consisting of 23 acres, was planted by him in the fall of 1940. Said crop was ready for harvest during the month of July, 1941, and the plaintiff harvested 462 bushels of wheat.

II

A wheat acreage allotment of 11.1 acres and a normal yield of wheat of 20.1 bushels an acre were established for the farm of the plaintiff in July, 1940, for the 1941 crop of wheat. Said allotment and normal yield were established by the Secretary of Agriculture through the County Agricultural Conservation Committee for Montgomery County, Ohio, in accordance with the provisions of the Agricultural Adjustment Act of 1938, as amended, and the administrative regulations issued by the Secretary of Agriculture under the authority contained in the act. The plaintiff
172 received notice thereof in July, 1940, before the planting of his 1941 crop of wheat and also in July, 1941, before the said crop was harvested by the plaintiff.

III

It has been the practice of the plaintiff to dispose of the wheat produced by him in the following manner:

- (a) To sell a portion thereof,
- (b) To feed part of the same to poultry and livestock which, or the products of which, are in part sold by him and in part consumed on his farm,
- (c) To use a part of the same for grinding into flour for home consumption,
- (d) To retain a part of the same for use as seed for the ensuing crop of wheat.

IV

The plaintiff's farm marketing excess for his 1941 crop of wheat amounts to 239 bushels in respect to which the applicable marketing penalty prescribed by said act, as amended May 26, 1941, amounts to \$117.11. The plaintiff has not paid the marketing penalty aforesaid and he has neither stored the farm marketing excess nor delivered same to the Secretary of Agriculture as provided by the administrative regulations issued by the Secretary of Agriculture under the authority contained in the act. The said county committee has, therefore, acting under the authority of the act and of the administrative regulations issued thereunder, refused to issue to the plaintiff a marketing card.

V

That on May 9, 1941, acting under and by virtue of said Agricultural Adjustment Act of 1938, as amended, said
173 defendant, Claude B. Wickard, as Secretary of Agriculture

of the United States of America, issued a proclamation calling for a national referendum on May 31, 1941, of wheat farmers throughout the United States of America who had planted wheat in the fall of 1940, to be harvested in 1941, for the approval or disapproval of a national wheat marketing quota for the year 1941.

VI

That on May 19, 1941, said defendant, Claude R. Wickard, as Secretary aforesaid, made a radio address to the wheat farmers of the United States of America in which he strongly urged an affirmative vote in said referendum, stating, among other things, the following:

* * * "To make wise decisions, we need to know the facts. What then, in view of the vote on May 31, are some of the facts about wheat? For one thing, we have a record amount of old wheat on hand and a bumper crop in prospect. That is something to be looked at with satisfaction on one hand and with alarm on the other." * * * "Because of the uncertain world situation, we deliberately planted several million extra acres of wheat this year. * * * Farmers should not be penalized because they have provided insurance against shortages of food. The nation wants farmers safeguarded against unfair penalties. The nation also wants other protection given agriculture." * * * "As you all know, parity is one of the most important objectives of the national farm program and will continue to be a goal." * * *

"Only last week, the Senate and House sent to the White House a bill calling for an 86 percent of parity loan for wheat" * * *

"But no wheat loan will be made unless wheat farmers vote for marketing quotas and without the loan there is no hope for parity on wheat in 1941. So parity for wheat is up to the wheat farmers themselves." * * *

174 "The law provides that wheat loans will not be made if wheat growers vote down marketing quotas. * * * The continuance—or discontinuance—of government loans on wheat is at stake in this referendum on May 31. To put it bluntly, no quotas, no loans. And, judging from prices in Canada, rejection of marketing quotas on May 31 would just about cut the price of wheat in this country in half." * * *

"I wish that corn and wheat farmers were able to vote on marketing quotas before they plant their crops, instead of afterwards as is the case now. Cotton, tobacco and rice farmers vote on quotas before they plant and I see no good reason for denying this privilege to wheat and corn growers. I am sorry that the

legislation authorizing loans at 85 percent of parity did not change the time for voting on wheat and corn quotas. This provision was recommended by the Department of Agriculture and we plan to recommend it to Congress again. Yet the fact that the referendum on wheat quotas comes after the crop is almost ready for harvest in no way alters the significance of the vote." * * *

VII

That said national referendum was held on May 31, 1941, and the said Claude R. Wickard as Secretary aforesaid published the result thereof to the effect that 81% of those voting in the said referendum favored the said marketing quota and that 19% of those voting opposed the same.

VIII

That on May 26, 1941, the Congress of the United States of America passed a joint resolution in effect amending and superseding the penalty provisions, relating to wheat, of said Agricultural Adjustment Act of 1938, as amended, to wit, Section 339, and modifying among other things the penalty of 15 cents per bushel for all excess wheat marketed as aforesaid, and providing a penalty of 49 cents per bushel on all wheat produced in excess of the quota and subjecting the entire crop of plaintiff's wheat, harvested in 1941, to a lien for the payment of said 49-cent penalty.

IX

That because of the increase in said penalty aforesaid, and of the attachment thereto of a lien on the entire crop of plaintiff's wheat, plaintiff, as well as others similarly situated, was misled by the aforesaid speech of May 19, 1941, and that said amendment of May 26, 1941, insofar as it increased the penalty for the farm marketing excess of 15 cents per bushel prevailing at the time of the planting of plaintiff's wheat, and subjected the entire crop to a lien for the payment thereof, operated retroactively, amounting to a taking of plaintiff's property without due process of law, and also, or in the alternative, against the equities favoring plaintiff.

CONCLUSIONS OF LAW

1. The wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended May 26, 1941, in so far as said provisions subjected plaintiff's farm marketing excess of

wheat of the 1941 crop, at the time such excess became available for marketing, to the marketing penalty of 49 cents per bushel computed under said amendment are invalid.

2. The amendment of May 26, 1941, to the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, in so far as said amendment increased the wheat marketing penalty on the plaintiff's farm marketing excess of the 1941 crop of wheat from 15 cents to 49 cents a bushel and subjected the plaintiff's entire 1941 crop of wheat to a lien for payment of the penalty, after the plaintiff had planted the said crop of wheat in 1940, constitutes a denial to the plaintiff of due process of law.

3. The referendum held May 31, 1941, pursuant to Section 336 of the Agricultural Adjustment Act of 1938 was inoperative to make farm marketing quotas for the 1941 crop of wheat subject to the provisions of the amendment of May 26, 1941 (55 Stat. 203).

4. The amendment of May 26, 1941, to the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, in so far as said amendment related to the 1941 crop of wheat, is invalid because of the failure of the Secretary of Agriculture to forewarn wheat farmers, in his radio address made on May 19, 1941, of the increase in the marketing penalty as provided by such amendment.

5. The plaintiff's farm marketing excess of his 1941 crop of wheat is subject to the penalty of 15 cents per bushel prescribed by Section 339 of the Agricultural Adjustment Act of 1938, as said section was in effect prior to the amendment of May 26, 1941, and such penalty may be collected only as therein provided.

6. This action may be maintained against the defendants herein other than the Secretary of Agriculture.

ALLEN, Circuit Judge, dissents from Finding of Fact No. IX and from all Conclusions of Law.

(Signed) JOHN H. DRUFFEL,
United States District Judge.

(Signed) ROBERT R. NEVIN,
United States District Judge.

Approved as to form:

(Signed) WEBB R. CLARK,

(Signed) HARRY N. ROUTZOHN,

Attorneys for Plaintiff.

(Signed) JOHN S. L. YOST,

(Signed) W. CARROLL HUNTER,

Special Assistants to the Attorney General.

Attorneys for Defendants.

In United States District Court

Judgment

Entered March 25, 1942

This cause came on for final hearing on January 30, 1942, before a statutory three-judge court convened pursuant to Section 3 of the Act of August 24, 1937 (50 Stat. 752, U. S. C., 1940 Ed., Title 28, Sec. 380a). The court has rendered its opinion, made its findings of fact, and stated its conclusions of law.

178 It is, therefore, ordered, adjudged, and decreed that the defendants Carl R. Helke, Roy M. Baker, and Homer W. Flinsbach, individually and as members of the Agricultural Conservation Committee for Montgomery County, Ohio, and Dale Williams, individually and as a member of the State Agricultural Conservation Committee for the State of Ohio, the said county committee and the said State committee being utilized by the Secretary of Agriculture of the United States in the administration of the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and Claude R. Wickard, individually and as Secretary of Agriculture of the United States, be, and they are hereby, permanently enjoined from collecting a marketing penalty of more than 15 cents a bushel on the farm marketing excess of the 1941 crop of wheat of Roscoe C. Filburn, the plaintiff herein, and from subjecting the 1941 wheat crop of the said plaintiff to a lien for the payment of said penalty and also from collecting the said penalty of 15 cents a bushel except in accordance with the provisions of Section 339 of Title III of the Agricultural Adjustment Act of 1938, as amended, as it was in effect prior to May 26, 1941.

Done this 25th day of March 1942.

(Signed) JOHN H. DRUFFEL, *District Judge.*

(Signed) ROBERT R. NEVIN, *District Judge.*

Approved as to form:

(Signed) WEBB R. CLARK,

(Signed) HARRY N. RUTZOHN,

Attorneys for plaintiff.

(Signed) JOHN S. L. YOST,

(Signed) W. CARROLL HUNTER,

Special Assistants to the Attorney General.

(Signed) CALVIN CRAWFORD,

Attorneys for Defendants.

179

In United States District Court

Petition for appeal and order thereon

Filed March 25, 1942

To the Honorable, the Judges of said Court:

Claude R. Wickard, Secretary of Agriculture; Carl R. Helke, Roy M. Baker, and Homer W. Flinsbach, individually and as members of the County Agricultural Conservation Committee for Montgomery County, Ohio; and Dale Williams, individually and as a member of the State Agricultural Conservation Committee for the State of Ohio, being aggrieved by the final judgment entered on March 25th, 1942, in the above-entitled cause, hereby pray that they be allowed an appeal to the Supreme Court of the United States for a reversal of said judgment; and that a transcript of the record in this cause, duly authenticated, be sent to the Supreme Court of the United States.

(Signed) JOHN S. L. YOST,

(Signed) W. CARROLL HUNTER,
*Special Assistants to the Attorney General,
Attorneys for Defendants.*

It is ordered that the appeal be allowed as prayed for. This 25th day of March 1942.

(Signed) FLORENCE E. ALLEN,
United States Circuit Judge.

(Signed) JOHN H. DRUFFEL,
United States District Judge.

(Signed) ROBERT R. NEVIN,
United States District Judge.

180

In United States District Court

Assignment of errors

Filed March 25, 1942

Defendants-Appellants assert that the statutory district court erred in rendering the final judgment entered March 25, 1942, against them, and say that in the said final judgment said Court erred in the following particulars:

1. In holding invalid the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended May 26, 1941, in so far as said provisions subjected plaintiff's farm marketing excess of wheat of the 1941 crop at the time such excess became available for marketing to the marketing penalty of 49 cents per bushel computed under said amendment.

2. In holding that the amendment of May 26, 1941, to the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, in so far as said amendment increased the wheat marketing penalty on the plaintiff's farm marketing excess of the 1941 crop of wheat from 15 cents to 49 cents a bushel and subjected the plaintiff's entire 1941 crop of wheat to a lien for payment of the penalty, after the plaintiff had planted the said crop of wheat in 1940, constitutes a denial to the plaintiff of due process of law.

118 3. In holding that the referendum held May 31, 1941, pursuant to Section 336 of the Agricultural Adjustment Act of 1938 was in operative to make farm marketing quotas for the 1941 crop of wheat subject to the provisions of the Amendment of May 26, 1941 (55 Stat. 203).

4. In holding invalid the amendment of May 26, 1941, to the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, in so far as the amendment related to the 1941 crop of wheat, because of the failure of the Secretary of Agriculture to make any specific reference, in a radio address to wheat farmers made on May 19, 1941, to the increase in the marketing penalty as provided by such amendment.

5. In holding that this action may be maintained against the defendants herein other than the Secretary of Agriculture.

Wherefore, Defendants-Appellants pray that the errors assigned above be reviewed and corrected by the Supreme Court of the United States and that the judgment entered in this case be reversed.

(Signed) JOHN S. L. YOST,

(Signed) W. CARROLL HUNTER,
Special Assistants to the Attorney General,
Attorneys for Defendants-Appellants.

182-183

In United States District Court

Stipulation as to contents of transcript of record on appeal

Filed March 25, 1942

It is hereby stipulated and agreed by and between the parties hereto, through their respective attorneys, that the transcript of

record to be filed in the Supreme Court of the United States pursuant to the appeal heretofore allowed herein shall include the following:

- (1) Complaint filed herein July 14, 1941.
- (2) Designation by the Honorable Charles C. Simons, Acting Senior United States Circuit Judge for the Sixth Judicial Circuit, of the Honorable Florence E. Allen and the Honorable John H. Druffel to sit with the Honorable Robert R. Nevin as a statutory three-judge Court to hear the case, filed December 22, 1941.
- (3) Motion to dismiss, filed on behalf of all defendants other than Claude R. Wickard, Secretary of Agriculture of the United States, on August 16, 1941.
- (4) Waiver of objection to venue filed on behalf of the defendant, Claude R. Wickard, Secretary of Agriculture of the United States, January 22, 1942.
- (5) Answer of defendant, Claude R. Wickard, Secretary of Agriculture of the United States, filed January 22, 1942.
- 184 (6) Stipulation of facts and evidence, with exhibits thereto, filed January 22, 1942.
- (7) Order overruling motion to dismiss complaint as to defendants other than Claude R. Wickard, Secretary of Agriculture, entered March 25, 1942.
- (8) Answer of defendants other than Claude R. Wickard, Secretary of Agriculture, filed March 25, 1942.
- (9) Opinions filed March 14, 1942.
- (10) Findings of fact and conclusions of law made and filed March 25, 1942.
- (11) Final judgment entered March 25, 1942.
- (12) Petition for, and order allowing, appeal filed March 25, 1942.
- (13) Assignment of errors, filed March 25, 1942.
- (14) The jurisdictional statement under Rule 12 of the Revised Rules of the Supreme Court of the United States, together with the opinions attached thereto, filed March 25, 1942.
- (15) The waiver of issuance, and service, of citation to the appellee upon appeal and acknowledgment of service of appeal papers, and waiver of right to file opposing jurisdictional statement, filed March 25, 1942.
- (16) This stipulation as to the contents of the transcript of record, filed March 25, 1942.

It is further stipulated that the attached copies of Items 1 to 16, inclusive, mentioned above, are true and correct copies of the originals on file in the Office of the Clerk of the Court, and may be certified to the Supreme Court of the United States by the

Clerk of this Court as true and correct copies without comparison thereof with the originals.

The Clerk of this Court is requested to transmit to the Clerk of the Supreme Court of the United States, Washington, D. C., only the papers designated herein.

This stipulation is made and entered into pursuant to Rule 10 of the Supreme Court of the United States.

185 Dated this 25th day of March 1942.

(Signed) JOHN S. L. YOST,

(Signed) W. CARROLL HUNTER,

*Special Assistants to the Attorney General,
Attorneys for Defendants-Appellants.*

(Signed) WEBB R. CLARK,

(Signed) HARRY N. RUTZOHN,

Attorneys for Plaintiff-Appellee.

186 [Clerk's certificate to foregoing transcript omitted in printing]

187 In Supreme Court of the United States

*Statement of points to be relied on and designation of the parts
of the record to be printed*

Filed March 28, 1942

Come now the appellants in the above styled cause and adopt their assignment of errors as their statement of points to be relied on, and state that the entire record in this cause, as filed in this Court, is necessary for the consideration of the foregoing points, and that the entire transcript of record as transmitted by the Clerk of the District Court should be printed by the Clerk of this Court.

CHARLES FAHY,

Charles Fahy,

Solicitor General of the United States.

Service acknowledged.

Counsel for appellee.

[File endorsement omitted.]

Supreme Court of the United States

Order noting probable jurisdiction

March 30, 1942

The statement of jurisdiction in this case having been submitted and considered by the Court, probable jurisdiction is noted.

[Endorsement on cover:] File No. 46408. S. Ohio, D. C. U. S., Term No. 1080. Claude R. Wickard, Secretary of Agriculture of the United States, et al., Appellants vs. Roscoe C. Filburn. Filed March 27, 1942. Term No. 1080 O. T. 1941.